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FINANCIAL TIMES

No. 28,426
Published in London and Frankfurt
Saturday March 21 1981
حکومت الرشید

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NEWS SUMMARY

GENERAL
Schmidt blames UK in fish row
Last-minute EEC fisheries peace talks broke down, and West Germany's Chancellor Helmut Schmidt is expected to make a vigorous complaint against Britain's stand when European summit talks open in Maastricht, Netherlands, on Monday.
All compromise proposals failed. Both sides claimed that the other's position was unreasonable. Britain insists that the depressed UK fish market must be fully protected against cheap imports. Details, Back Page.

BUSINESS
Sterling off 1.6c; Equities top 500
STERLING fell 1.6c in London to \$2.2655, but firmed slightly against European currencies, closing at DM 4.885 (DM 4.675) and SwFr 1.8675 (SwFr 1.8625). Its trade-weighted index was unchanged at 160.2. Page 21.
DOLLAR improved, helped by firmer Eurodollar rates. It finished at DM 2.066 (DM 2.049) and SwFr 1.886 (SwFr 1.8675). But it lost ground against the yen, closing at ¥208.0 (¥208.75). Its trade-weighted index was 88.6 (88.3). Page 21.
GOLD rose \$9 to \$517.5 in London, for a \$19 rise on the week. Page 21.
EQUITIES maintained their strong tone, as hopes continued for a further cut in interest rates. The FT 30-share index closed 4.2 higher at 500.9 for a gain of 23.7 on the week. Page 22.

Euroboycott
Mrs. Barbara Castle, leader of Britain's Labour Euro-MPs, ordered them to boycott next week's special session of the European Parliament. Officials plan to strike against the decision to hold all 1981 meetings in Strasbourg. Page 2.

Gatwick target
Immigration officers will mount only a skeleton staff, and customs officers will strictly enforce regulations this weekend at Gatwick Airport, where passengers may face delays. This is part of the Civil Service union's campaign.
Clearing banks have rejected union requests not to handle tax payments. Back Page.

Benefit check
The Government is to crack down on people who claim unemployment benefit while working. Such frauds are estimated to cost £100m a year. Back Page.

Spy exchanged
Christel Guillaume, convicted of treason in West Germany in 1975 after photocopying secret Government documents, and other East German agents were exchanged for a number of prisoners held by East Germany.

Cuban loan off
Eurobankers believe the Reagan Administration is behind the cancellation of a syndicated \$32m loan to the Central Bank of Cuba, being put together by French bank Credit Lyonnais.

Ulster killings
A man helping a friend look for a missing lorry was shot dead near the Ulster border at Crossmaglen. In Belfast, a 17-year-old youth in a car reported missing was shot dead by an Ulster Defence Regiment member.

Farm precaution
Ministry of Agriculture imposed animal movement restrictions on 14 Hampshire and Dorset farms as a precaution against a disease which a local stock auction had recently returned from Jersey, where foot and mouth disease has been confirmed.

Bristol trial ends
The Bristol riot trial ended with the jury acquitting two more defendants, bringing the total cleared in the seven-week hearing to eight, and being deadlocked on charges against four more.

Refugees reunion
Seven Vietnamese boat-children, were reunited at Heathrow with their parents and elder sister, after two years and 11 months apart.

Briefly...
Windscale gas-cooled reactor that produced electricity for 18 years will close next month, and will then be used as a nuclear test-bed.
Somalia refugee camps housing more than 100 people have been hit by floods, food riots, and a measles epidemic.
Six children were killed in Bremmelbach, E. France, by a World War II mortar bomb.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	
Exco 12pc '89-92	233 + 11
BICC	222 + 9
Babcock Intl	107 + 7
Barratt Devs	248 + 9
Belhaven Brewery	41 + 4
Bejam	119 + 8
Bibby (J.)	290 + 14
Brit. Comm. Wth	518 + 16
Bulmer (L.P.)	191 + 4
Central Mafing	33 + 4
Dacian	183 + 10
Durlec Steels	155 + 10
East Lanes Paper	80 + 8
Findlay Hardware	26 + 6
GEI	75 + 7
Gears Gross	121 + 9
GEC	640 + 8
Goodes Darent Mry	37 + 5
Haden Carrier	252 + 6
Hepworth Ceramic	118 + 6
Horizon Travel	212 + 9
FALLS	
ICL	38 - 6
Lawlex	42 - 8
Plessey	325 - 7
Stand. Telephones	497 - 30

Edwardes warning as BL reports £535.5m net loss for 1980

By Kenneth Gooding, Motor Industry Correspondent

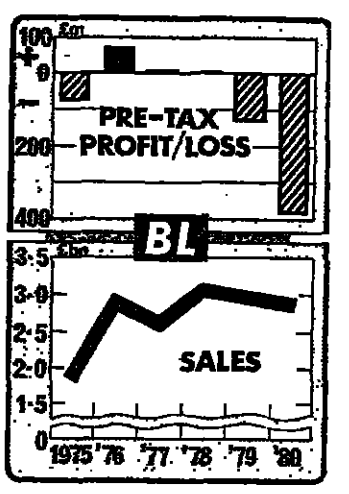
BL HAD a record net loss of £535.5m last year, Sir Michael Edwardes, the chairman, reported yesterday. The loss in 1979 was £144.5m.
He suggested BL would have to take "avoiding action" because the Budget, which would hit the company hard, would depress UK sales further. He hinted this might involve more short-term working to prevent stocks building up.
Sir Michael made a strong plea for the Government "to provide British industry with the one instrument without which few of us can build profitable export sales - lower interest rates and a reasonably priced pound."

BL, probably the largest net earner of foreign currency, had losses on its £380m of export sales last year, Sir Michael said. "Much hangs on Government policy as to whether we can underwrite in export terms the success that Metro and the T45 trucks have had in the UK." "Survival is still the name of the game for 1981 and 1982. But with most of the restructuring behind us and with product launches yet to come, I believe BL is moving out of the trough."

Sir Michael suggested 1980 was a watershed for BL. It was the third of three painful years of restructuring in which the workforce was reduced by 28 per cent, or 56,000. Redundancy and closure costs totalled £200m (including £139m in 1980). On the positive side, £770m went on capital expenditure for new models and facilities. This was only now beginning to show return because of the industry's long lead times. Metro, for example, had reached a level of UK sales which had taken it past breakeven point without exports.
BL's sales fell to £2,877bn last year from £2,999bn having peaked at more than £3bn in 1978. Unit sales went down from 693,000 in 1979 to 587,000 last year. Output fell from 658,000 to 548,000.
The trading loss was £293.9m (including a £266m loss from the car operations and one of £32m in the commercial vehicle business). The 1979 trading loss was £46.2m.
The loss before tax was £387.5m (£112.2m) which, after tax of £3.2m (£6.3m), minority interests of £5.8m (£3m) and extraordinary items of £139m (£23m) resulted in the net loss of £535.5m (£144.5m).
No Evidence of Metro Fault, Page 3
Lex, Back Page

DEAL TO BUY VW GEARBOXES

BL IS TO BUY gearboxes from Volkswagen of West Germany to use in some models of the LC10 mid-sized cars it will launch from 1983. The gearbox is similar to that in the VW Golf GTI, with five speeds and a high performance. Mr. Ray Horrocks, BL Cars chairman, would give no financial details of the deal but said both companies would benefit by sharing output.



Solidarity halts talks and calls national strike alert

By Christopher Bobinski in Warsaw

THE POLISH Government yesterday faced its most serious test so far this year as protests at police beatings of three Solidarity trade union leaders spread throughout the country.
The Solidarity national leadership headed by Mr. Lech Walesa immediately travelled to Bydgoszcz, north-east of Warsaw, where the incident occurred on Thursday night.
Yesterday morning Solidarity suspended all talks with the Government and announced a strike alert for its 8m members, who have been told to be ready for action on Monday.
It described the assault as "a clear act of provocation against the Government of Gen. Wojciech Jaruzelski, the Prime Minister, implying that Communist Party hard-liners were behind the incident and were attempting to destabilise the country."
Mr. Mieczyslaw Rakowski, the Deputy Premier in charge of relations with the union, sent a Government team yesterday to the scene to report on the incident.
According to officials, Gen. Jaruzelski has issued instructions that the people responsible, "whoever they may be, should be punished."
Although the Government is clearly trying to avoid a confrontation, short protest strikes were held yesterday at Bydgoszcz, Torun, Grudziadz and Wloclawek. Mr. Rakowski was due to travel to Bydgoszcz himself last night.
The assaults occurred as Mr. Jan Rulewski, a prominent member of the Solidarity national leadership, was being ejected from the council chamber in Bydgoszcz, where he had tried unsuccessfully to present demands raised by local farmers.
Police entered the building after the Solidarity members and some 30 councillors refused to leave the chamber in protest at the suspension of a council meeting. Mr. Rulewski had been invited to attend the meeting to present the farmers' case.
Last night Gen. Jaruzelski issued a statement answering the union decision to suspend contacts with the Government by an appeal for talks "as at this time they are especially necessary."

Midland profit down 25%

By Michael Lafferty, Banking Correspondent

MIDLAND BANK yesterday reported the worst 1980 results for any of the four high street banks, with pre-tax profits 25 per cent lower at £281.8m. Attributable profits are almost halved to £31m on the current cost accounting basis, which takes account of inflation.
Unlike the other three banks, which increased their dividends by 20 per cent, Midland is paying shareholders only 71 per cent more than last year. This will cost the bank £35m, and means the dividend is not fully covered by "real" profits last year.
Midland's figures have been hit by much increased bad debt provisions for lending to UK manufacturing industry, an area where it is proportionately more exposed than the other banks. As a result, net provisions at the end of the year are up 46 per cent to £232m.
It has also suffered from a very substantial shift in the proportion of its deposits derived from "free" current account balances. In 1980 current accounts represented 31 per cent of group sterling deposits, against 37 per cent in 1979.
The proportion attributable to deposit accounts, which bear interest, is up from 29 to 31 per cent.
Midland has suffered from higher staff costs, up 28 per cent, and other costs which are up 44 per cent. Midland said yesterday some of the latter was a non-recurring nature, relating to the reorganisation of both the clearing bank, and the Forward Trust finance house and leasing business.
Midland said yesterday it has 2,000 to 3,000 surplus staff in the UK, costing £10m to £15m a year through natural wastage. Meanwhile, it has frozen recruitment.

BIG FOUR BANKS
1980 group pre-tax profits

Bank	£m	% change
Barclays	523.5	-1
National Westminster	410.0	-7
Lloyds	289.9	+5
Midland	281.8	-26

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Rowland in private Observer deal

By John Moore

LONRHO'S controversial entrepreneur and chief executive, Mr. Roland "Tiny" Rowland, is to acquire his own half-share of The Observer, Britain's oldest Sunday newspaper.

The move effectively challenges the existing UK legislation on change of newspaper ownership.
The deal was announced as Mr. John Biffen, Secretary of State for Trade, refused to allow transfer of ownership of the paper to George Outram, a Lonrho subsidiary, until the deal had been studied by the Monopolies and Mergers Commission.

Mr. Rowland's private deal with Mr. Robert Anderson, chairman of Atlantic Richfield, the U.S. oil group which owns The Observer, was concluded yesterday morning.
It was greeted, according to Mr. Donald Treloar, the editor, "with considerable dismay and apprehension among the paper's staff."

It is Mr. Rowland's second restructuring of his bid to win control of the paper. Both changes were made to remove the possibility of removal to the Monopolies and Mergers Commission.
Mr. David Astor, a former editor and proprietor of the paper and a director of The Observer board, described Mr. Rowland's move as one of "Machiavellian ingenuity."

Mr. Rowland is acquiring his 50 per cent holding, for an undisclosed sum, in Observer International. This is a U.S. subsidiary of Atlantic Richfield and sole owner of the paper.
The acquisition is "to avoid uncertainties about the future of The Observer which would be occasioned by reference to the Monopolies Commission whose enquiry might take up to 13 weeks."
Mr. Rowland's initiative effectively challenges existing legislation regarding change of ownership of newspapers.
Because Mr. Rowland is not personally a newspaper proprietor, under the definitions of the Fair Trading Act, 1973, he may escape the rulings of the legislation and need not apply for clearance.
Continued on Back Page
Sheffield Newspapers probed under Competition Act, Page 3

Retail price index up by 0.9% last month

By Peter Riddell, Economics Correspondent

THE slowdown in the monthly inflation rate has ended for the time being, even before the Budget measures worked through.

Employment Department figures published yesterday show the retail price index rose 0.9 per cent to 278.9 in the month to mid-February (January 1974=100). This was the biggest monthly rise since last summer, mainly reflecting higher prices for petrol, food, drink, cigarettes and household appliances.
The increase was less than a year ago so the 12-month rate of increase edged further down to 12.5 per cent. This compares with 13 per cent in mid-January and a peak of 21.9 per cent last May.

The period of rapid deceleration appears over. A hiccup in both the monthly and 12-month rates is likely when the March index is published.
The Budget measures will add roughly 2 per cent to the index. About half should come through in March.
Local authority rate and rent increases, on the basis of those announced, could add more than 1 per cent to the index in April.
Gas and electricity charges are to rise again. The effect overall will be only partly offset by the mortgage rate reduction.

The likely result is a gradual slowdown in the 12-month rate to the officially forecast level of 10 per cent by the end of this year and 8 per cent by mid-1982.
Many economists fear inflation could accelerate again from this level towards the end of 1982 as the economy picks up. Raw material costs and wage demands may rise and companies will be eager to restore squeezed profit margins.
The sources of the inflation rate is in the middle of the Continued on Back Page
Tight Squeeze on Industrial Profits, Page 3

Price Comparisons
— percentage rise in 12 months to January

Country	1979	1980
U.S.	11.7	5.1
Japan	7.4	2.3
Germany	5.8	2.3
France	12.8	5.8
U.K.	12.5	4.2
Italy	21.3	10.4
Canada	12.0	6.0

Period to February for UK and December for Italy.
Source: Organisation for Economic Co-operation and Development and Department of Employment.

Deloitte Haskins to pay £445,000 in settlement

By Ray Maughan

THE ACCOUNTANCY firm of Deloitte Haskins and Sells has agreed to pay £445,000 to Newman Industries, the electric motors and ceramics group. This settlement is in respect of a valuation made by the firm when Newman purchased certain assets and assumed certain liabilities of Thomas Poole and Gladstone China in 1975.

The payment stems from an action brought by one of Newman's shareholders, Prudential Assurance, concluded in the High Court in February last year. It was held that the company had paid an excessive amount for Thomas Poole and Gladstone and that the then chairman and vice-chairman of Newman, Mr. Alan Bartlett and Mr. John Laughton, had conspired to procure the excessive payment.
Mr. Justice Vinelott held that the two executives were liable to pay damages to the company and its shareholders. The High Court ruling will be challenged by Mr. Bartlett and Mr. Laughton in the Court of Appeal on Monday.
But, acting on legal advice and in the belief there is little prospect of recovering significant damages and costs from the two former directors, Newman said yesterday it approached the accountancy firm, Deloitte, while denying liability, agreed to pay Newman £445,000 in full settlement. In the judgment the High Court was "guaranteed that the firm had been deliberately misled."
In a joint statement by the company and Deloitte the firm said it "thought it proper" to inform Newman it was unwilling to seek reappointment as the company's auditors at the next annual meeting in June.
Deloitte has since agreed to let its name go forward for reappointment because Newman has "placed on record that it has no criticism of the conduct of their audits and sees no reason why they should not offer themselves for reappointment."

Act before 5th APRIL
to benefit from extra tax relief this year

With effect from 6th April 1981, tax relief on life assurance premiums will reduce from 17½% to 15%. However, you can still benefit from the higher rate of tax relief on all premiums paid before 5th April if you start an M&G Regular Investment Plan now and backdate it to 12 months. You can start a £20 per month Plan, for example, with a payment of £240, and benefit immediately from tax relief of £50.88.
Regular Investment Plans provide one of the most cost-effective methods yet devised of accumulating thousands of pounds through a life assurance policy linked to the M&G unit trust or bond fund of your choice. The future value of your Plan cannot be predicted since it will depend on the investment performance of the fund you choose, as well as your starting age and your monthly contribution. As an example, however, a man of 35 who started paying £20 a month on 6th April 1971 (when the Plan was first used in conjunction with this Fund), would have secured an allocation of units worth £2,777 by the end of February 1981, for a net outlay of £2,380. These figures allow for all expenses and a deduction to cover the Company's final liability to tax on capital gains. This performance has been exceptional and may well not be repeated, but it does demonstrate how effective the Plan can be as a way of building up capital.
The Company claims tax on your behalf (provided that your total life assurance premiums do not exceed £1,500 p.a. or 10% of your total net income, whichever is the greater), and adds it to your payments, to make up the gross premium. On a £20 net a month Plan tax relief at the current rate of 17½% would bring your gross premium up to £24.25 a month. From 6th April 1981, when the rate of tax relief will reduce to 15%, the net monthly amount you pay to provide the same gross premium will increase from £20 to £20.50. However, you will still benefit from the 15% rate of tax relief on your starting age and 110% of each payment (depending on your starting age) is invested in units, except in the first two years when these figures reduce to 7½% and 87½% respectively.
After two years, therefore, the amount invested will in most cases be greater than your monthly payment.
Regular investment of basic tax-free sums into a unit trust can benefit from the inevitable fluctuations in the price of units through "pound cost averaging." You can continue payments for any number of years up to 20, and life cover of at least 100 times your gross monthly premium is provided throughout. If your age at entry is 55 or under, an element of life cover is also provided for higher starting ages up to 75. Unit trusts and bonds are not suitable for money you may need at short notice, and you should remember that the price of units may go down as well as up. The units are allocated to establish benefits under the Plan are owned by the Company.
You are free to cash in your Plan for its current value at any time either before or after the elapsed 20 years. Tax will be payable on any capital gain at termination if your Plan is linked to a unit trust but in the case of bonds the Company's liability to tax is reflected in the quoted price. If you cash in or stop payments during the next four years there is a penalty, and the tax authorities require us to make a deduction. You should not consider the Plan for less than five years and, for tax reasons, higher-rate taxpayers should continue payments for at least ten years.
Anyone aged 18 or over can join the Plan and there is no maximum age limit. (A spouse under the age of 18 may also join on request.)
M&G Investment Ltd., 30 Abchurch Lane, London EC4N 3DF.

BENEFIT FROM UP TO TWELVE MONTHS OF TAX RELIEF FROM 5th APRIL
M&G TRUST (ASSURANCE) LTD., THREE QUAYS, TOWER HILL, LONDON EC3N 3DF. Telephone: 01-426 4588.

I WISH TO PAY ☐ each month (minimum £12) into an assurance policy with benefits linked to the Plan of my choice. (Circle the Plan of your choice.)

I enclose my cheque for the first payment of £240 (or £120 if you are over 54) payable to M&G Trust (Assurance) Ltd. (enclosed) and that the Company will not assume any liability until the Plan of my choice has been issued.

DECLARATION: I have read Part I of the M&G Regular Investment Plan and I declare that I am not a resident of the Republic of Ireland, that I am not a resident of the Channel Islands or the Isle of Man, and that I am not a resident of any other country or territory outside the United Kingdom. I declare that I am not a resident of any other country or territory outside the United Kingdom. I declare that I am not a resident of any other country or territory outside the United Kingdom. I declare that I am not a resident of any other country or territory outside the United Kingdom.

NAME (SURNAME, INITIALS, MIDDLE NAME) _____
ADDRESS _____
POST CODE _____
DATE OF BIRTH _____
OCCUPATION AND NATURE OF BUSINESS _____
DAY MONTH YEAR
Doctor's name and address _____
Are you an existing M&G Plan holder? ☐ Yes ☐ No

SIGNATURE _____
DATE _____

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OVERSEAS NEWS

Portugal's Cabinet seeks to reduce role of public sector

BY DIANA SMITH IN LISBON

THE Portuguese Government is asking Parliament to pass legislation to end the public sector monopoly of banking, insurance, and some areas of industry.

This is the fourth time in a year that the ruling Democratic Alliance, made up of Social Democrats, Christian Democrats and Monarchists with a 16-seat majority, has attempted to overturn a principle of the Socialist-leaning 1976 constitution.

The first three attempts were vetoed by the Revolutionary Council, Portugal's military constitutional watchdog, on the grounds that they were unconstitutional.

The 1976 constitution is now up for review. All parties except the Communists agree that it needs to be reshaped and the Revolutionary Council will disappear when the review is complete.

The Government of Sr. Francisco Balsemão has listed those areas which would still be reserved to the public sector. His list has shrunk considerably compared with that of 1976. Neither banking nor insurance is included, nor is the cement industry — a major growth area.



Sr. Balsemão: renewed efforts at reform

Energy production and distribution, postal services, the armaments industry, basic petrochemicals and steel remains as sectors prohibited to the private sector.

The Communist Party, which was the driving force behind the 1975 nationalisation of banks and 53 per cent of Portugal's fixed capital formation, has protested against the Government's proposals.

Conservatives sweep back to power in Ontario poll

BY JIM RUSK IN OTTAWA

MR. WILLIAM DAVIS, of Ontario, the most important ally among provincial premiers of Canada's Prime Minister, Mr. Pierre Trudeau, has won the provincial election and now heads a majority government.

Mr. Davis won 70 of the 125 seats in the provincial legislature of Ontario, Canada's most populous province, in Thursday's election. Before the vote, his Conservative government held a minority of only 58 seats.

The victory was the fourth for the premier, who has been Mr. Trudeau's staunchest ally in Canadian political squabbling over the constitution and energy pricing.

Mr. Davis' majority government was won at the expense of the Socialist New Democratic

Party which slipped from 33 to 21 seats. The Liberals remain the official opposition with 34 seats, the number they held before dissolution.

The re-election of the Conservatives in Ontario is good news for Mr. Trudeau, as Mr. Davis is the only premier from a major province to support Ottawa's plans to patriate the Canadian constitution, including a Bill of Rights, from Westminster.

Mr. Trudeau is now set to make a final push on his constitutional plans. As the polls closed in Ontario, the Federal Government announced that it is introducing a motion to limit the constitutional debate in the House of Commons to four more days.

Cracks in Ekofisk platform halt oil

By Fay Gjester in Oslo

OIL OUTPUT has been temporarily halted on the West Ekofisk field, in Norway's part of the North Sea, following the discovery of several cracks in the field's 10-year-old steel production platform, just at the water line.

The largest of the cracks is in a vertical strut which supports the platform superstructure. The others — less dangerous — are in a horizontal fender around the platform.

The 70 crewmen on board will not be taken off unless very bad weather threatens, but two rescue ships are standing by in case of an emergency. Union officials have said that the platform must not start pumping oil again before the cracks, discovered during a routine check on Thursday, have been thoroughly investigated and their cause determined.

One theory is that the crack in the vertical strut was caused by an accident seven years ago when the strut was hit by a length of well pipeline being lowered to the wellhead.

Eurocrats plan to strike for two days

By John Wyles in Brussels

THE European Parliament's special session will go ahead next week in Strasbourg despite a massive vote yesterday by its 2,000 Luxembourg-based staff to stage a two-day strike.

The strike will start on Monday morning and end on Wednesday, which should allow European MPs to vote on the European Commission's farm-price increase proposals on Thursday.

The strike vote stems from a decision taken by the Parliament last month to hold all its remaining sessions this year in Strasbourg.

Staff leaders see this as a preliminary to a decision which may be taken later this year by member governments to fix Strasbourg as the Parliament's only meeting place.

Peres 'held secret Arab meetings'

BY OUR TEL AVIV CORRESPONDENT

ISRAEL'S stagnant election campaign burst into life yesterday with a row over a report of secret meetings between Arab leaders and Mr. Shimon Peres, leader of the Israeli Labour Party.

Mr. Peres accused his opponents in the ruling Likud coalition of leaking a fabricated version of meetings he is alleged to have held this week with King Hassan in Morocco and with Jordan's Prince Mohammed in London.

He did not deny the meetings, but would not confirm them. Pointing to the denials flying from Rabat and Amman, Mr. Peres said he had nothing to add to them, and remarked enigmatically that he always respected pledges of secrecy in meetings with Arab leaders.

Associates of Mr. Menahem Begin, the Prime Minister, accused Mr. Peres of staging an election stunt by meeting the two Arab leaders and seeking to make a deal that would undermine the Government's policies. "Never in three decades of Israel's existence," one official said, "has an opposition politician acted with such irresponsibility."

What irked Mr. Peres was a television report that he had been discussing a deal with the Arabs over Jerusalem. This he denied strenuously, well aware that an Israeli politician heard talking about handing East Jerusalem back to the Arabs could forfeit any chance of election success.

Despite the Arab denials, officials of both major parties were convinced that the meetings had taken place. Labour's principal foreign policy plank is to offer large slices of the occupied West Bank and the Gaza Strip over to Jordanian rule.

Undaunted by King Hussein's persistent refusal to accept this troublesome gift, Mr. Peres has insisted that the King will change his attitude if Labour wins power in the election on June 30.

Our UN Correspondent writes: The Security Council ended days of haggling over words with a consensus statement yesterday that condemned the killing of two Nigerian soldiers of the UN force in Southern Lebanon and the wounding of 20 more.

The outcome was a sort of victory for Mrs. Jeane Kirkpatrick, the new U.S. delegate, who opposed bitterly Com-

munist and some Third World attempts to include in the text a rebuke to Israel, which supports the Lebanese right-wing Christian militia held responsible for Monday's fatal artillery barrage on UN positions.

Delegates thought they were on the verge of agreement on the statement of condemnation hours after the attack, but revisions in the text continued until late on Thursday.

At the last minute, with a council meeting already scheduled to hear the President, Harry F. Byrd, of East Germany, read the text, Mrs. Kirkpatrick raised new objections.

The final hurdle was a recalling of the Council's 1978 demand for the withdrawal of Israeli troops from Southern Lebanon.

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Nigeria 'encouraged' by UK investment talks

BY MARK WEBSTER

NIGERIA'S head of state, President Shehu Shagari, said yesterday that during his three-day visit to Britain there had been an "encouraging response" from British industry towards investment in his country.

The president told a Press conference in London at the close of his state visit yesterday that there had been discussions on joint-venture projects, especially in food production and agriculture-based industries.

"We have offered assurances on a reasonable return on investment. I am happy to say that in these discussions we have met with an encouraging response," he said.

But President Shagari denied that there had been top-level talks on a proposed arms deal



Mr. Robert Mugabe

between Nigeria and Britain worth up to \$800m. President Shagari again attacked Western countries who

trade with South Africa and said only mandatory sanctions would force the pace of change and end the apartheid system.

However, he said he had been unable to persuade Mrs. Thatcher, Britain's Prime Minister, that sanctions were necessary.

The President also said he did not believe the U.S. would renew its backing for the UNITA guerrilla movement in southern Angola, despite moves by the Reagan Administration to repeal the Clark Amendment, passed during the Angolan civil war in 1975, which prevents the U.S. assisting insurgents in Angola.

Our Salisbury Correspondent reports: Mr. Robert Mugabe, Zimbabwe's Prime Minister, has

appealed to President Reagan for support in black Africa's crusade against South Africa.

Mr. Mugabe said in his letter that the U.S. ought to be seen to be playing a positive role in ensuring that South Africa accedes to the wishes of the people of Namibia and the international community.

Reagan adds from Lusaka: President Sikaka Stevens of Sierra Leone and President Kenneth Kaunda of Zambia yesterday called on South African workers to take industrial action to weaken the "racist regime" in Pretoria.

In a joint statement, they expressed concern over South Africa's failure to implement a United Nations plan for the independence of Namibia.

Congressman seeks end to El Salvador aid

BY DAVID BUCHAN IN WASHINGTON

A KEY U.S. Congressman who has just returned from a visit to El Salvador said yesterday he would introduce an amendment to foreign aid legislation to pull the 50 American military advisers out of the country.

Mr. Clarence Long, chairman of the House sub-committee which rules on foreign aid, said his misgivings about military aid had been increased by his

visit this week to El Salvador. The Reagan Administration's support of the Salvadorean junta was "a far greater long-term commitment than the American public has been led to believe."

Mr. Long said it would be better and safer to train El Salvadorans in the U.S., and he noted, paradoxically, that the Salvadorean junta was more amenable to this than the

Reagan Administration. Mr. Long said administration assurances that none of the U.S. advisers would be in danger squared oddly with its refusal to pay for his trip because of the risk that he might be killed.

Claiming the problems in El Salvador were far more complex than the Reagan Administration seemed to realise, Mr.

Long commented that "anarchy may be a bigger threat there than communism."

The Democratic Congressman's view clashed directly with the hard-line view of Mr. Alexander Haig, the Secretary of State, expressed this week that a Communist master plan existed to take over Central America country-by-country.

Dutch to crack down on squatting

By Charles Batchelor in Amsterdam

THE DUTCH Parliament has approved legislation aimed at combating "squatting" and increasing local authorities' powers to acquire empty property.

Squatting — the unauthorised occupation of empty houses — is widespread in many Dutch cities, and squatters have been involved in several clashes with police over the past year.

Parliament approved by a large majority a Government bill requiring local authorities to compile a register of empty houses. Once a property has been listed, it will be given automatic protection from squatters.

The local authority will also be allowed to acquire the building and add it to the council-controlled housing stock.

Property must be listed within a month of its falling empty. Extra protection was granted to squatters who have long been able to avoid eviction orders by concealing their identity. Courts have recently, however, begun passing anonymous-eviction orders. The new law requires anyone seeking an eviction order to make reasonable efforts to establish the identity of a squatter.

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A quiet struggle for the heart of clerical Iran

BY TERRY POVEY IN TEHRAN

"IRAN'S CLERGY play an important role in this revolutionary republic, and this is what the struggle between the President and his opponents is all about," Mr. Bani Sadr is opposed to our influence," said Hussein, a religious student, as he curtly described the conflict that has divided his country.

Hussein is one of the 10,000 Talaba, religious students, in Iran's holy city of Qom. Qom is the heart of clerical Iran. Most of the top clergy live and teach there and this is where almost all the clergy got their training. Qom is a very different city from the capital, cosmopolitan Tehran, some 90 miles to the north. On its dusty streets no woman can be found without the chador, the full-length usually black veil.

Half the town's life centres on the clerical schools, book shops and the Great Shrine with its gold-covered dome. The other Qom is a small market town of over 300,000 people in which the bazaar is the centre of life. It is a poor city, lacking buildings of distinction, and during the late Shah's days was largely bypassed by modern development.

Few people visit Qom, except on pilgrimage, and it does not encourage the curious.

The city therefore retains an air of mystery and awe for Iranians. The sight of turbaned heads by the dozen bobbing along in the crowds partially explains this. Islamic rule has always been the norm in this city. Of course, President Abolhasan Bani-Sadr has supporters in Qom. Many small workshops on the city's outskirts boast his picture, although a religious student said this was something new in the past three or four weeks.

Even small demonstrations have been held supporting the President, but the atmosphere is one more conducive to his opponents.

Among the militant young Talaba, support for Mr. Bani-Sadr is slim. "As they sit waiting for the classes to begin they all read and discuss the Islamic Republic newspaper," said one student. Islamic Republic is the daily morning paper of the fundamentalist Islamic Republican Party, Mr. Bani-Sadr's principal opponents. "There may be some who prefer the President, but they wouldn't say so openly."

Dominating the city are the Ayatollah and senior teachers. Shi'ite Islam contains a highly complex body of laws and prescriptions, learning and interpreting, which is the central task of an aspiring cleric. The great men of Qom are venerated for their age, knowledge, and deductive powers. The Marja, a handful



Ayatollah Shariatmadari

of living authorities on the laws, exercise supreme control over both the teaching and the city itself. One Marja, Ayatollah Khomeini Shariatmadari, was for many years the doyen of Qom, but clashes with the new regime's Government and leaders over the Azerbaijan regional problem have led him to lie low for over a year.

Disruptions of his classes by fundamentalist students have led him to abandon public lectures, and he now teaches his own senior students in a building close to his home. His place at the head of the system has been taken by Ayatollah Mohammad Reza Golpaygani.

The young Turks among the Talaba would clearly prefer to be following Ayatollah Hussein Ali Montazeri, Qom's Friday prayer leader and the man seen by fundamentalists as the

likely successor to Ayatollah Khomeini. But despite their militancy, they still abide by the religious etiquette which governs relations among the clergy.

"Several times Ayatollah Montazeri had ordered the closure of the schools, a sort of protest strike. But as Ayatollah Golpaygani has kept on teaching, all but Mr. Montazeri's classes go on as normal," said one teacher.

The apparent anarchy of a system where one can choose to "follow" the Marja of one's choice and to pay religious taxes to him alone given the lack of precision about who is and who is not a Marja, is settled by an informal but all powerful apparatus. The respect given to an individual clergyman for his learning and his age, and thereby the order of precedence



Ayatollah Montazeri

given him within the clergy as a whole, is simply established by communal consent. The whole community then stands by this.

The more venerable the teacher, the more senior will be his students, and it is common for these to spend 10-15 years in Qom studying under increasingly more senior mentors. A special bond exists between top teachers and their best students, and a list of Ayatollah Khomeini's senior students reads like a directory of those now holding important positions in post-revolution Iran.

Financing the students and religious activity generally depends largely on the khoms — literally "one fifth" — religious tax, paid by the faithful on their net incomes. Ayatollah Montazeri Pasandideh, 88 years of age and the elder

brother of Ayatollah Khomeini, handles much of the khoms paid to Iran's leaders. The faithful are free to choose to which religious leader they pay their taxes, and the major Ayatollahs have a network of clerical collectors around the country. "In this house alone, I deal with about Rials 200m. (\$12m) a month in taxes and donations," said Ayatollah Pasandideh.

Although seven years older than his famous brother, he accepts his brother's leadership in religious affairs. Although age matters, it is not decisive. It is estimated that each month Qom's religious leaders handle over \$8.5m between them, a sizeable sum, and the ability to attract religious tax payments is a factor in assessing an individual's prestige.

There are increasing fears in Qom that the political and government activities of some sections of the clergy are causing a backlash in the city. "They have announced end-of-year exams for the first time in history," complained Montazeri, a religious student of five years standing. A council to oversee religious training recently set up largely on the initiative of the fundamentalists, is seen by many as a further step towards centralisation.

The Islamic militants are, of course, in favour of many of these changes. But as each is introduced it runs up against the "veneration system."

Of course many of the teachers are too senior to have to submit to any committee composed of their juniors, was a typical response.

Ironically, as a result of the thrust for power by some of the clergy under the leadership of the Islamic Republican Party, the long isolation of Qom from

national life has been ended, but at the cost of bringing Iran into Qom, as much as introducing Qom to the nation. The streamlining of its clerical education system, its financial affairs, its powers over the appointment of Friday prayer leaders around the country, and so on, are all targets for party control in modern Iran. The day of the pushbutton telephone and the tape cassette has definitely dawned, and highly traditional Qom is having to cope with this. In this city, the fundamentalists are the modernisers, and the main opposition comes from clerical traditionalists.

Arguments between Mr. Bani-Sadr and his predominantly clerical opponents at a national level have their reflections in the city, but it is a reflection mediated through the "veneration system." Should the clergy continue to play a key role in Iran's politics and affairs of state, it must be of concern to the President and others that today's clerical students support his opponents so overwhelmingly.

Qom has for centuries been a law unto itself and Islam, it is now having to face the outside world. The demonstrations of recent weeks for and against Mr. Bani-Sadr show it cannot remain aloof. As far as its traditions go, its worst enemies could well turn out to be its reorganisers and make radical changes in the old order, in the name of the Islamic Republic and its troubled revolution.

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مکان الاصل

UK NEWS

Total holiday figures down, but foreign travel continues to grow

THE BRITISH are taking fewer holidays—but those who do can afford trips away from home are increasingly going abroad, writes Arthur Sandles.

Last year there was a 2m drop in domestic holiday-making figures, and a 1.75m rise in foreign holiday trips.

A recent Department of Trade report on travel statistics suggested that the British

travel account last year remained in marginal credit (£267m). But if the present trend continues it could slip into deficit this year.

The latest figures are from the British Tourist Authority's British National Travel Survey. They suggest the British spent about £5.5bn on holidays last year, a rise of 20 per cent on 1979. Of this only £2.4bn was spent in

Britain, a rise of 2 per cent, and a considerable fall in real terms.

About £3.5bn was spent on foreign holidays, although this includes air fares.

The West Country is still Britain's most popular area for the British. A fifth of British holidays included a stay of at least one night in that area. Wales (12 per cent), Scotland (11 per cent)

and the south of England (10 per cent) were the next most popular.

About 72 per cent of holidays involved the use of the family car last year. Rail transport was used on 13 per cent of trips and buses or coach services on 6 per cent.

The average total expenditure per person in Britain on holidays of four nights or more in 1980 was £67, com-

pared with £62 in 1979. About 27 per cent of people stayed with friends or relatives while in Britain. Licensed hotels attracted 18 per cent of the total custom and unlicensed hotels or guest houses had 8 per cent of the market.

Static caravans were used on 14 per cent of trips and rented caravans on 13 per cent.

Tight squeeze on last-half 1980 industrial profits

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRY'S PROFITS were tightly squeezed in the second half of last year, though by less than originally feared.

Central Statistical Office figures published yesterday show that profits of industrial and commercial companies rose by 7½ per cent to £22.46bn last year compared with 1979. This is after deducting the amount needed to finance the rise in value of stocks.

The total includes the rise in profits from North Sea oil. Profits of other companies, particularly in manufacturing, have been much poorer, as recent results from GKN, for example, have shown.

Profits net of stock appreciation dropped by about 7 per cent between the first and second halves of 1980 to the lowest level since the first half of 1979.

The figures are not so bad as some of the more pessimistic earlier projections, partly because companies have shifted some of the burden of the recession by cutting stocks and shedding labour. The implication is that profits of some companies outside the more exposed parts of manufacturing have held up, at least in current prices.

All three measures of gross domestic product income, expenditure and output show a substantial decline in activity from 1979 to 1980. Taking the average of the three measures real gross domestic product dropped by 2 per cent.

The output increase of GDP dropped by 3 per cent.

The Central Statistical Office published estimates of gross domestic product at current prices, which are seen by some economists as a key indicator of the impact of monetary policy.

From 1979 to 1980 GDP at market prices rose by 17.1 per cent to £223bn, after a 16.2 per cent increase in the previous year. The rate of growth slowed from a 4.4 per cent rise in the first quarter over the previous one to 2.1 per cent by the fourth quarter.

General Government consumption, public spending excluding social security benefits and nationalised industries, rose by 2 per cent in real terms last year.

In contrast, fixed investment fell by 2 per cent to the lowest level since 1972.

ECONOMIC ACTIVITY

(Percentage change compared with year earlier)

	Industrial and commercial	Gross Domestic Product at market prices
1977	+15.1	+15.1
1978	+14.6	+14.6
1979	+16.2	+16.2
1980	+17.1	+17.1
1st	+22.2	+22.2
2nd	+16.5	+16.5
3rd	+14.5	+14.5
4th	+13.4	+13.4

Source: Central Statistical Office

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Stonefield purchase helped by state aid

BY RAY PERMAN, SCOTCH CORRESPONDENT

THE GOVERNMENT has paid a substantial sum towards the purchase of Stonefield Vehicles by a Jersey-based group to keep production of the company's cross-country trucks in Scotland.

Stonefield, which has been in receivership for nearly a year, was bought yesterday by Gomba Motors, a subsidiary of Jersey-registered Gomba Holdings. Gomba Motors will continue production at Cumock, Ayrshire, an area of high unemployment.

It emerged yesterday that there had been an unsuccessful counterbid from the commercial vehicles company Shelvoke and Drury, which wanted to transfer manufacture of Stonefield's four-wheel trucks to its own plant at Lethworth, Hertfordshire.

Mr. George Younger, Secretary of State for Scotland, would not disclose the price paid by Gomba or the value of Shelvoke's bid, but he said the receiver had a duty to accept the best price.

"He is satisfied that he has carried out his task. This has

been made possible by a considerable contribution from Industry Act assistance," Mr. Younger said.

Shelvoke would not have been entitled to similar aid because Lethworth is not in an assisted area.

In addition, the Scottish Office has indemnified the Receiver for the cost of keeping the Stonefield plant going for several months while bids were evaluated.

Mr. Younger said: "I have never had the slightest doubt of the excellence of the Stonefield vehicle. It is a first-class product and given the proper backing I am sure it could sell very well."

Gomba Holdings is a private company headed by Mr. Abdul Shamji, 48, who was a leader of the Asian community in Uganda until expelled by former President Idi Amin in 1972.

Gomba's interests, which included vehicle assembly and marketing in Africa, now include importing and exporting, property, the manufacture of ladies' handbags in Blackburn, and of fibreglass in India.

Company probed under Competition Act

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SHEFFIELD NEWSPAPERS, publishers of the Sheffield Morning Telegraph and The Star, is being investigated by the Office of Fair Trading for allegedly seeking to close a rival publication.

The investigation is the fourth to be carried out by the office under the 1980 Competition Act. This enables it to investigate any anti-competitive practice carried out by a single company.

The office will investigate allegations that Sheffield Newspapers told newsagents that it would not receive the Telegraph and Star supplies if they distributed a free publication called Homes. The free newspaper, published by a rival newspaper group in Sheffield, carries only property advertising.

The office will also investigate allegations that Sheffield estate agents were told that advertisements appearing in Homes would not be accepted as valid by Sheffield Newspapers.

Sheffield Newspapers last night said the company had nothing to hide. It had prepared a detailed rebuttal which would be given to investigators.

The Office of Fair Trading investigation is expected to take at least three months but could take six. It finds that an anti-competitive practice exists and the company refuses to abandon it, then it can refer the case to the Monopolies and Mergers Commission for a further study to determine the public interest. The Trade Secretary has the final power to enforce any recommendations.

House price 'rip-off' row

BY MAURICE SAMUELSON

A FORMER POLICE chief who sold his house near Worthing to the Department of Transport in 1978 for £26,500 has been offered to buy it back for £57,500, a rise of 112 per cent, though local agents say values have risen no more than 25 per cent.

Mr. Raymond Herrington, a former deputy divisional commander of Sussex Police, said yesterday that he had been the victim of "a con trick and a bit of a rip-off."

He was writing to Mr. Terence Higgins, Worthing's Conservative MP.

His former two-bedroomed bungalow, with more than half an acre of land, was sold in August, 1978 to make way for the proposed A27 bypass.

The road scheme was scrapped, and the Transport Department is trying to re-sell the 46 homes it bought at the time, including Mr. Herrington's.

Mr. Alan Dowsey, Worthing district valuer, acting on the Department's behalf, said that he would be interested to hear from Mr. Herrington "to negotiate something lower."

He thought the price too high. The Transport Department said that Mr. Dowsey had "only given a negotiating price."

If Mr. Herrington did not buy the bungalow back it would go on the open market "so that we can do the best for the taxpayer."

Cornish tin mine scheme

BY KENNETH MARSTON, MINING EDITOR

A TIN mining operation at Rednor in Cornwall is the subject of a planning application by South West Consolidated Minerals, a subsidiary of Dundonian group of Dundee.

The application covers surface installations as well as underground working. If the proposed operation goes ahead it would provide about 650 jobs.

Mr. Max Lewisohn, South West's chairman, said work could start immediately after receiving planning permission and could be in full production within three years.

He thought that it could produce the equivalent of about

2,500 tonnes of tin metal a year plus smaller amounts of tungsten, lead and silver. He hoped it would provide 15 per cent of UK tin requirements.

No firm figures for ore reserves or grade have been announced. Mr. Lewisohn said a minimum grade of about 1 per cent tin would be needed.

He thought the deposit held a large tonnage of ore that met this requirement. He said the mine could break even with a tin price of about £5,000 per tonne.

Existing Cornish mines are finding life difficult at the current tin price of £5,120.

City greets ICL reaction coolly

BY GUY DE JONQUIERES

ICL YESTERDAY welcomed the Government's decision to rescue it from its financial problems with a £200m loan guarantee.

But the company, Britain's largest computer manufacturer, announced no measures to secure its recovery.

Its statement was issued after the close of Stock Exchange trading and more than 24 hours after the Government announced its rescue package.

The statement was greeted coolly in the City.

Some industry analysts had speculated that ICL might take the opportunity to announce it was strengthening its manage-

ment team, which has been criticised for not responding more swiftly to the downturn in its business last year.

Earlier in the day ICL's share price drifted downwards by 6p, to close at 38p. Trading in the shares resumed yesterday morning after being suspended on Thursday ahead of the Government's statement.

The company said it was unusually difficult to forecast its performance at present. But it saw no reason to revise the projections given by Mr. Philip Chappell, its chairman, six weeks ago.

He disclosed then that the

company made a first-quarter pre-tax loss and would make a further loss in the second quarter ending on June 30.

He expected ICL to approach breakeven in the second half.

The company said difficult trading conditions had put pressure on its financial resources. It expected further cash outflow while it introduced products.

ICL said it had strengthened its position in the market for small computer systems. It had received more than 800 orders for its ME29 mini-computer. It planned to launch several products in the second half of this year.

British Aluminium to make 700 jobless

FINANCIAL TIMES REPORTER

BRITISH ALUMINIUM yesterday announced a shake-up of its rolled products division with more than 700 redundancies and the closure by June of its Rheola factory at Resolven, South Wales.

The company blamed unacceptable losses resulting from a sharp decline in sales because of the recession and international competition intensified by sterling's strength.

The shutdown of the South Wales rolling mill, involving nearly 600 redundancies, is another blow to West Glamorgan.

British Aluminium said that last year the Rheola factory lost £1m and in the first two months of this year £500,000. The factory makes aluminium circles, sheet, tread plates and bright trim for the motor industry.

A further 100 redundancies will occur at the company's other rolled products mill at

Falkirk, Scotland, reducing the workforce there to 1,100. The division's headquarters will be transferred to Falkirk from Twickenham, with reduced staffing levels.

Final agreement was also reached yesterday between management and unions on the terms for a further 926 redundancies at the British Steel Corporation's Shotton works, in North Wales.

The redundancies, stemming mainly from the closure of the plant's coke ovens, will reduce the workforce at Shotton to about 2,500, compared with 10,500 just over a year ago.

Nearly 400 of the 500 jobs at risk in the J. and W. Kerr, of Greenock, group of companies are almost certain to be saved; it was confirmed yesterday.

Legal negotiations are being finalised which will see another

Greenock company, Black and Edgington, take over Kerr's electrical division, which employs 377 people.

Black and Edgington, perhaps better known in the camping and leisure field, took over Kerr's computer division three years ago. It is trading successfully as Insight Business Systems.

Mr. Garry Woodie, managing director of Black and Edgington, believes his company now has the expertise to make Kerr's electrical division pay.

Lower demand for Christmas crackers has led to 38 workers being made redundant at the Tom Smith cracker factory in Norwich, which has 500 workers and makes about 40m crackers a year.

Gerard Brothers, a soap-making company of Basford, Nottingham, is to make 70 of its 300 workers redundant in May.

Inland freight port plan

BY LORNE BARLING

A £20m inland freight port is likely to be built near Birmingham to serve as a transhipment point for goods and an airfreight depot for the expanding airport nearby.

The project, for which planning permission was sought last week, is expected to take eight years to complete. It would eventually create about 1,500 jobs in the area.

Mr. John Hayward, a Midlands developer, and Mr. Norman Horwood, his partner, have formed a company, later Freight, to handle the undertaking. The port will be near the National Exhibition Centre.

Proposals include more than 100 sq ft of warehousing, a 50-bedroom motel and restaurant for lorry-drivers, secure parking for about 50 lorries, a trailer park, shops and offices.

These would be built on an 85-acre site, now a farm, which is expected to be sold for about £2m.

Mr. Hayward said yesterday there was a national need for freight-handling areas such as this. He said he had backing from a major merchant bank, which was forming a consortium. Secondary finance would be sought from institutions.

Engineering orders fall

By Hazel Duffy, Industrial Correspondent

THE EFFECTS of recession on the engineering industry are shown in official figures published yesterday. These show orders on hand fell by 12.3 per cent last year.

Domestic orders dropped by 14.1 per cent. Export orders fell by 3.3 per cent.

The figures, published in British Business, the magazine of the Department of Trade and Industry, are calculated on an estimated trend. They show decline most marked in the second half of last year.

Oldham enters the maintenance-free battery market

BY RHYS DAVID

OLDHAM, one of the UK's big battery groups, has launched a British contender in the £20m per year European market for sealed rechargeable batteries.

Oldham's maintenance-free battery will be used mainly in electronic areas either as a sole or as a standby source of power. It will be competing against imports from the U.S., West Germany and Japan.

There are various standby applications. Computers need emergency power to prevent memory loss in case the mains fails, as do security systems like burglar alarms and fire detectors. Hospital, shop and factory lighting systems and electronic cash registers and petrol

pumps are other likely candidates.

The batteries, from 1 amp to 24 amps, are likely to be used as a sole power source in portable electronic equipment such as cameras, televisions and radios and in professional uses like police radar and traffic censor equipment.

Sealed units, though more expensive than conventional batteries, offer a longer life of up to five years.

The firm development at Oldham's Denton factory near Manchester is an attempt to move into a new and more sophisticated field which is likely to grow very rapidly over the next decade.

Oldham is part of Carlton Industries, of which Hawker Siddeley is holding for the 48 per cent equity stake it does not already own. Oldham has traditionally had the bulk of its activities in heavy vehicle and replacement car batteries, in fork lift truck and milk float batteries and in mining lamp and automotive batteries.

The sealed battery uses a lead calcium grid, eliminating the use of antimony. This technology has been acquired under licence from Eagle Picher, a U.S. battery group with which Oldham has had commercial links for four years.

Oldham had previously supplied the UK with sealed batteries made in the U.S., while Eagle Picher sold Oldham batteries to the U.S. postal service for its electrical vehicles.

The capacity at Denton will enable Oldham to produce 500,000 batteries a year, with the possibility of expanding up to 2m. Marketing in the UK and throughout Europe is to be handled by a Bristol company called ERT under the Uniloss label.

ERT has previously acted as distributor for a Japanese battery manufacturer, winning a 30 per cent share of the British market with the imported range.

The use of calcium rather

than antimony as an alloy for lead in the battery grid reduces the gassing that normally takes place and makes it possible to create a sealed unit that does not need topping up.

In the U.S. about 50 per cent of car batteries are now sealed and a similar trend is likely in Europe. Oldham may therefore later transfer the technology to car batteries.

Oldham says the development will help to secure the 900 jobs at Denton. The company, which has an annual turnover of about £38m, 30 per cent of it exported, has spent more than £10m in the past four years on re-equipment.

LABOUR

BPC print unions asked to accept 2,752 job cuts

BY JOHN LLOYD, LABOUR CORRESPONDENT

PRINT UNIONS at BPC, Britain's largest printing company, are being pressed to agree to a total of 2,752 redundancies and closure of seven of the group's plants.

The union leaders have conceded that 1,684 workers will be made redundant, but have sought more negotiations on the closures and the cuts arising from them.

Mr. Robert Maxwell, the group's chief executive, has said the higher level of redundancies and the closures are necessary to assure the group's continued viability.

The level agreed includes the redundancies already announced—more than 800 at Purnell, near Bristol, and 635 at five plants involved in the printing of the Radio Times.

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The other plants Mr. Maxwell said are no longer viable are the Tunbridge Printers; Business Forms, Dunstable; Waterlow Printers, London; Gale and Polden, Aldershot; Clarke and

Sherwell, Northampton; Beric Press, Crawley; and the small Broadleys plant, Blackburn.

The print union general secretaries have asked Mr. Maxwell for a closer examination of the future of the plants marked for closure, though it is thought unlikely that all, or even most, can be saved.

They believe they have managed, over the past four weeks, to salvage a position which they had feared might have ended in the closure of the entire group.

If Mr. Maxwell is able to get agreement on the higher level of redundancies he will have achieved a 26 per cent cut in the workforce of more than 10,500, close to the level he proposed at the beginning of the negotiations.

He needs agreement on the BPC survival plan if he is to retain the allegiance of the group's banks, which are giving conditional support. In the first six months of last year the group lost about £6.5m.

Hospital staff pay offer reinforces 6% limit

BY PAULINE CLARK, LABOUR STAFF

GOVERNMENT determination to hold Health Service pay rises to a 6 per cent ceiling was reinforced yesterday by a formal offer to 250,000 hospital ancillary staff.

Management gave union leaders the option of a 6 per cent rise over 12 months from the pay rise anniversary last December, or a 7½ per cent deal over 15 months from December 13, 1980 to March 31, 1982.

This was in response to a union demand for at least 7½ per cent over the year to make the settlement reached with local government manual workers.

The offer has put Health Service union leaders in little doubt that a similar cash limit will be imposed on offers expected in the next fortnight for 460,000 nurses and midwives and 17,000 ambulance workers.

Provisional agreement is expected on a 6 per cent rise with consolidation of £17 in bonuses to bring basic rates to £109.60 a week in line with those in the electrical contracting industry.

Hospital electricians suspended a work-to-rule campaign and overtime bans earlier this week because some progress had been made on enabling hospital electricians to benefit from the formula for consolidating bonuses.

Mr. Ron Keating, NUPE assistant general secretary, said the staff side had recognised that the fight was against Government policy rather than against Health Service management.

Union negotiators previously rejected a 12-month 6 per cent deal giving a £3.65-a-week rise to the group, which includes cleaners, porters, kitchen staff and drivers. The 15-month option would increase basic pay weekly by 6 pence, ranging from £54.45 to £75.17, by £4.60 a week.

The Electrical and Plumbing Trades Union said negotiators for hospital electricians were nearing agreement with the Department of Health and Social Security on a claim to keep parity with electricians in the private sector.

Provisional agreement is expected on a 6 per cent rise with consolidation of £17 in bonuses to bring basic rates to £109.60 a week in line with those in the electrical contracting industry.

Hospital electricians suspended a work-to-rule campaign and overtime bans earlier this week because some progress had been made on enabling hospital electricians to benefit from the formula for consolidating bonuses.

Basnett urges reform of TUC structure

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. DAVID BASNETT, general secretary of the General and Municipal Workers Union, called for reform of the TUC's structure to make it more responsive to its affiliated unions' needs.

In a speech in Nottingham last night, Mr. Basnett said the movement was forced to rethink because of the membership losses, owing to the recession and the attacks on trade unionism.

He said the TUC should change its priorities, which were to present a united trade union front to Government and Government agencies, "concentration that role has directed energy and attention from other problems of the movement," he said.

"The TUC should also act as a general staff of the movement in a downward direction as well as reflecting the views of the movement upwards to Government."

● The GWMU submitted evidence to the TUC's review of Congress's structure. In its paper the union proposes: More active encouragement of mergers, together with residual powers of veto over

those mergers deemed to be unsuitable;

Power to arbitrate on demarcation problems, including "swapping" members, and an increased range of disciplinary powers short of suspension;

Co-ordination of assistance to a member-union in a dispute; Study of the structure of collective bargaining, with a view to proposing reforms;

Review of the present structure of union finances and possible recommendation of increased levels;

Extension of TUC research services, to provide a data bank on pay settlements; Introduction of special industry-conferences every two years, to deal with issues inadequately considered at annual Congress;

Automatic representation on the TUC General Council for all unions with more than 100,000 members, together with arrangements for representation of smaller unions;

Extension of TUC advisory services to unions; Creation of a centralised printing facility to be used by all affiliated unions.

Early trial on union poll

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TRIAL of an action disputing validity of the election of the general secretary of the 130,000-strong Bolleymakers' Society will take place within the next few months.

Mr. Justice Gouding approved the timetable for an early trial of an action by Mr. Barry Williams, the union's Liverpool delegate, and unsuccessful candidate in the election, in the High Court

Takeover spice flavours equities

This week saw the biggest shake-up in British banking since the late 1960s. The players were the UK-based, but heavily international, Standard Chartered group and the smaller Royal Bank of Scotland.

ever, Lloyds Bank raced into the arena with a £145m cash bid for the 61.7 per cent of finance house Lloyds and Scottish which it did not already own. The Royal Bank group had contemplated a leisurely disposal of its 39.3 per cent stake in the finance house since Standard Chartered has its own instalment credit business but this was not to be.

Trading deteriorated rapidly in the second half, with the steel and automotive divisions taking the brunt of the consequent redundancies. GKN was forced to introduce 11,000 redundancies during 1980, a number of plant closures and extensive short-time working. It has also had to provide for a further 4,300 redundancies which were either under notice at the end of the year or affected by closures announced since December.

Barratt re-rating

IMI rights

But brokers Hoare Govett, for one, were unsettled by the forecast rise in dividend. The 1988 payment will cost £12m (plus advanced corporation tax which is twice the current level of inflation-adjusted profits. IM will have to work very hard indeed to match its dividend ambitions with CCA earnings

In a broad sense, the business of financial services in which brokerage fits is also undergoing a structural change in which new partnerships are being forged. It is no accident that the Bache bid came from the Pru. The insurance industry is diversifying into new types of financial services, just as brokerage has already moved

Monday	1,002.79	+17.10
Tuesday	992.53	-10.26
Wednesday	994.06	+1.53
Thursday	986.58	-7.48

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MARKET HIGHLIGHTS OF THE WEEK					
	Price y'day	Change on week	1980-81 High	1980-81 Low	
F.T. Ind. Ord. Index	500.9	+ 9.0	515.9	406.9	Economic recovery hopes
F.T. Gold Mines Index	345.1	+ 9.0	559.9	265.5	Firmer bullion
Treasury 13% 2000	£100	+ 2½	£103½	£92½	Hopes of another MLR cut soon
Barratt Developments	248	+ 49	248	80	Interim profits exceed estimates
Boddingtons Breweries	128	+ 25	128	68	Pleasing annual results
Cadbury Schweppes	84	+ 10½	84½	54	Annual profits above estimates
Dowty	274	+ 33	274	148	Investment support
Fairclough Construction	96	+ 15	96	54	Good annual results
Goldman (H.)	47	+ 16	47	8½	Bid hopes
Impala Plat.	415	+ 70	570	240	Firm precious metals
ajmaica Sugar	17	- 20	40	9	Stock Ex. to withdraw quote
Lloyds & Scottish	200	+ 29	200	117	Bid from Lloyds Bank
Rand London Coal	97	- 15	137	68	May not achieve profits forecast
Royal Bank of Scotland	132	+ 43	140	75	Merger with Standard Chartered
Sidlaw Inds.	160	+ 29	160	76	Speculative demand
Standard Chartered	653	- 42	710	465	Merger with Royal Bk. Scotland
Tanks Con.	327	+ 54	352	216	Bid speculation
Turner & Newall	83	+ 8½	142	68	Bid speculation
Utd. Biscuits	110	+ 15	110	68	Good preliminary results
Warner Hols. A	705	+ 50	705	40	Agreed bid from Grand Met.

On the surface, this can be explained by the group's forecast of a dividend rise of a quarter this year and the City's confidence that profits will be broadly unchanged at about £24m. But investors' willing-

IMI rights

A cloud lifts from RTZ

Now \$39m. or £17.4m. is not such a lot of money when spread among companies of this size — the RTZ group sales revenue in 1979, for example, was £2.5bn — while the legal fees have been budgeted for each year. Furthermore, it can be assumed that the sale of uranium to Westinghouse is likely to yield a profit to the suppliers who are now operating in a subdued market where new contracts are none too easily obtained.

not particularly cheap at that time on the basis of the nominal yield of only 7 per cent. In fact the chairman has said in the annual report this week that unless there is an upturn in the antimony market, this year's dividend prospects "must be considered remote."

But hope springs eternal. Murchison is well supplied with stocks of antimony, perhaps too well supplied, and would be able to make the most of an eventual pick-up in demand. Thus, the "double your money"

The Ammax board has said that it does not support the Socialists' offer. This does not sound like an outright rejection but suggests that Ammax is seeking a little more. If the bid is allowed to proceed, the Ammax board might find it difficult to persuade shareholders to reject it.

The quandary for Ammax shareholders is whether to sell now and be sure of a modest profit, or to take a chance on the outcome of the anti-trust inquiries and hold out for a much bigger one. This has to

The potential
on a small o

ded

Traded Options

The potential for high profits on a small outlay

The Stock Exchange has published a new booklet which explains the workings of this market. If you would like a copy, please post the coupon below. Tick the box if you would also like to receive a list of stockbroking firms willing to accept business from new clients in Traded Options.

To: Information and Press Department
The Stock Exchange, London EC2N 1HP

Please send me _____ copy/copies of your free booklet "An introduction to Traded Options".


I would like to receive a list of brokers willing to accept business from new clients in Traded Options. ☐

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The Stock Exchange



UNIT TRUST AND INSURANCE OFFERS

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**NEW
3%
Discount**



Schroders

Schroder Australian Fund

A major opportunity for capital growth down under

Australia—a land of vast potential

Australia possesses a wide range of natural resources including base metals, precious metals and energy. Take just three examples, the country is currently 70% self-sufficient in oil and also has massive reserves of shale oil which may prove to be a new and major source of fuel oil during the second half of this decade. It has vast reserves of coal, much of it steam coal, a keenly sought after commodity and finally, existing proven reserves of uranium account for 18% of the Western world's known deposits and it is thought that additional large deposits almost certainly exist.

Schroder Australian Fund

The principal investment aim is to secure capital appreciation.

Many of the investments are in those areas of the Australian economy which are not available to investors in the United Kingdom. A large part of the portfolio will be invested in natural resources, although the managers will also invest in those industrial sectors which are likely to benefit from the expansion of the primary sector during the 1980's.

A new fund

This new fund was formed through the utilisation of the Australian and International Trust Limited, a publicly quoted investment trust which was incorporated in 1961 and managed by J. Henry Schroder Wagg & Co. Limited.

Flexibility

We can offer investment through single premium insurance bonds where this may suit the investors tax situation. Remember that the price of units and the income from them can go down as well as up. You should regard your investment as long term.

Investment Policy

The investments are concentrated in those sectors of the Australian economy which are considered to offer above average growth prospects. Investment outside Australia may take place, probably within the Pacific basin but to an extent which will not exceed 10% and is unlikely to exceed 5% of the portfolio.

3% Introductory Discount

The initial offer price of units is 54.7p, with an estimated commencing gross yield of 2%. Units purchased on or before 27th March 1981 will be allocated at 53p. Thereafter the discount will apply until 16th April 1981 based on the ruling offer price.

GENERAL INFORMATION
Dealing in units (U's) may normally be bought or sold on any business day at 31 prices, quoted in all national newspapers. Applications will be accepted on receipt of your instructions and certificates will be despatched within 2 business days.
Charges: An initial charge of 5% is included in the price of units. A holding charge of 1% is deducted from income. The Trust Deed permits a maximum of half yearly charge of 10%.
Commissions for advisers: Out of the initial charge, remunerations (at rates which are available on request) will be paid to authorised professional advisers on applications bearing their stamp.
Income: Distributions of income are made twice yearly on 21 March and 30 September.
Managers: Schroder Unit Trust Managers Limited (a member of the Unit Trust Association)
48-5, Mark Lane, London EC3N 2JF, England
London EC2P 2QS, England Tel: 0330 22 22
Telex: Marklan Bank, Trust Company Limited.
This offer is not available to residents of the Republic of Ireland.


The Schroder Group manage assets exceeding £3,750,000,000

To: Schroder Unit Trust Managers Ltd, Enterprise House, Seaboard Brunel Road, Portsmouth PO1 3AN (Telephone 0705 277230)
I wish to invest: (minimum £500) £ _____ in the Schroder Australian Fund at the price of 53p. A cheque is enclosed made payable to Schroder Unit Trust Managers Ltd.
Please allocate Income/Accumulation Units. (Delete as applicable)
I would like more information on Schroder: _____

Share Exchange Scheme ☐ Surname _____ FT21/3
(Share transfers please)
First names _____
Initial _____
Regular Savings Plan ☐ Address _____
Premium Insurance Schemes ☐ Date _____
Financial Planning ☐

Schroders
SCHRODER UNIT TRUSTS
Members of the Unit Trust Association

Signature _____
See back of form for details regarding all general advice



Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.
Interest paid gross, half-yearly. Rates for deposits received not later than 27.3.81
are fixed for the terms shown:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	13	13	13%	13%	13%	13%	13%	14

Deposits to and further information from The Treasurer, Finance for Industry Limited, 51 Waterloo Road,
London SE1 8AP (01-929 7822) Ext. 3671. Cheques payable to "Bank of England, a/c FFI".

Finance for Industry Limited

Today's Rates 13%-14%

UNIT TRUST AND INSURANCE OFFERS

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Telling people where to invest is as important to us as telling people where to go.

We've been telling people where to go for some time now, and there's no doubt that the message is getting through.

Last year, the volume of tourism in England was up 10% on the year before.

Of course, we don't claim all the credit for this, but we know for sure that we played an important part.

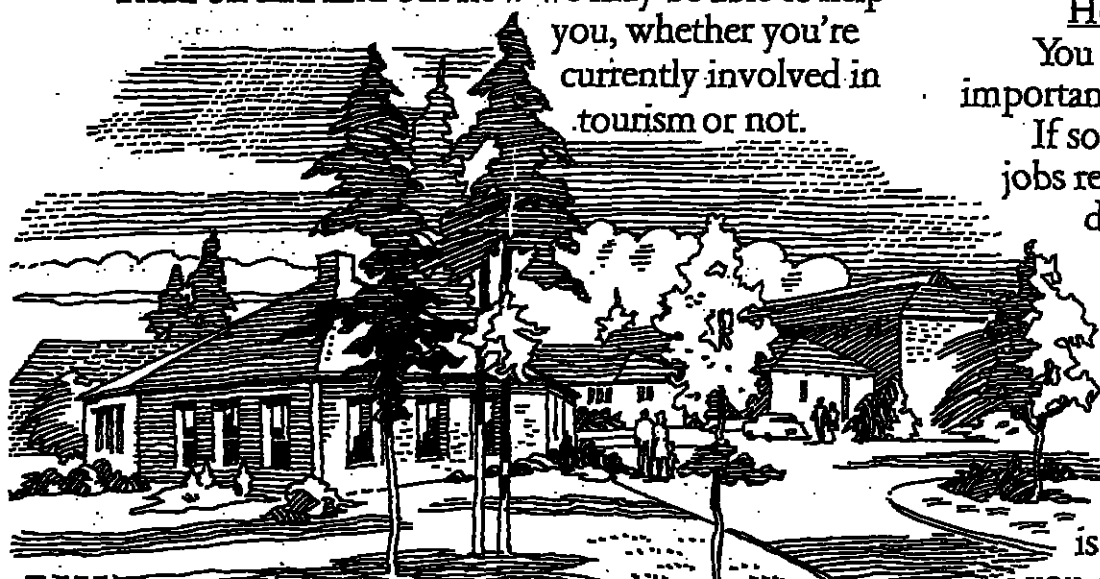
If you live in the south of England you'll probably have seen our TV commercials featuring Spike Milligan.

The campaign is now in its second year, and all the evidence shows that it's highly cost-effective.

But there's much more to the ETB than TV advertising.

To businesses wishing to invest in tourism in England, we can offer anything from a useful contact to help in raising the finance.

Read on and find out how we may be able to help you, whether you're currently involved in tourism or not.



Swallow Hotel, Derbyshire.

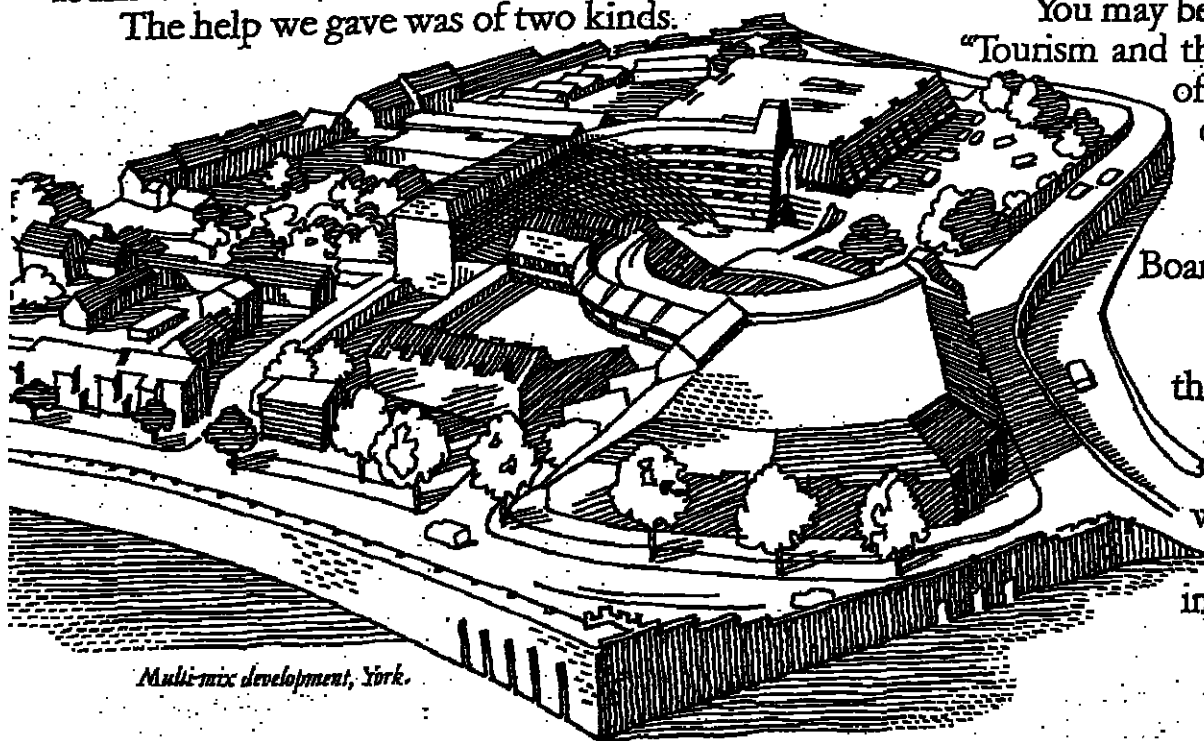
A Simple Example.

Let's start with a simple example.

This spring, a new 123-bedroom hotel will be opened at South Normanton in Derbyshire, near Junction 28 of the M1.

This hotel will benefit the local community just as much as the holiday or business tourist, and it wouldn't have happened without help from the English Tourist Board.

The help we gave was of two kinds.



Multi-mix development, York.

First, we found out that a prime hotel site was on the market, and informed Swallow Hotels.

Second, as the site is in an Assisted Area, we were able to give the developers a grant, which in turn enabled them to start work on the hotel straight away.

A Complicated Example.

Now for something rather more complicated: a major multi-mix development in York, comprising a superstore, private housing, a 220-bedroom hotel, a health centre and a particularly well-equipped rackets club with full facilities for international competitions.

Financing a development like this might seem an insuperable problem in these difficult times.

So, working closely with the developer, we are putting together a financial package acceptable to institutional and other sources of finance.

How we helped 10,000 Merseysiders.

You may not think of Liverpool as an important tourist area.

If so, the 10,000 Merseysiders whose jobs relate directly to tourism would disagree with you.

Here, the ETB is involved in supporting Merseyside County Council in developing probably the most exciting post-war Maritime Museum in the Country.

Stage one of the Maritime Museum is now completed. For the first time in years, you can walk from the Pierhead into the historic South Docks area.

There you can see the exhibits on display, and look beyond towards the magnificent Albert Dock warehouses.

We believe the Maritime Museum when completed will be a catalyst for attracting activity and investment into an area crying out for new jobs.

And without our encouragement and a grant towards building costs, it might never have been started.

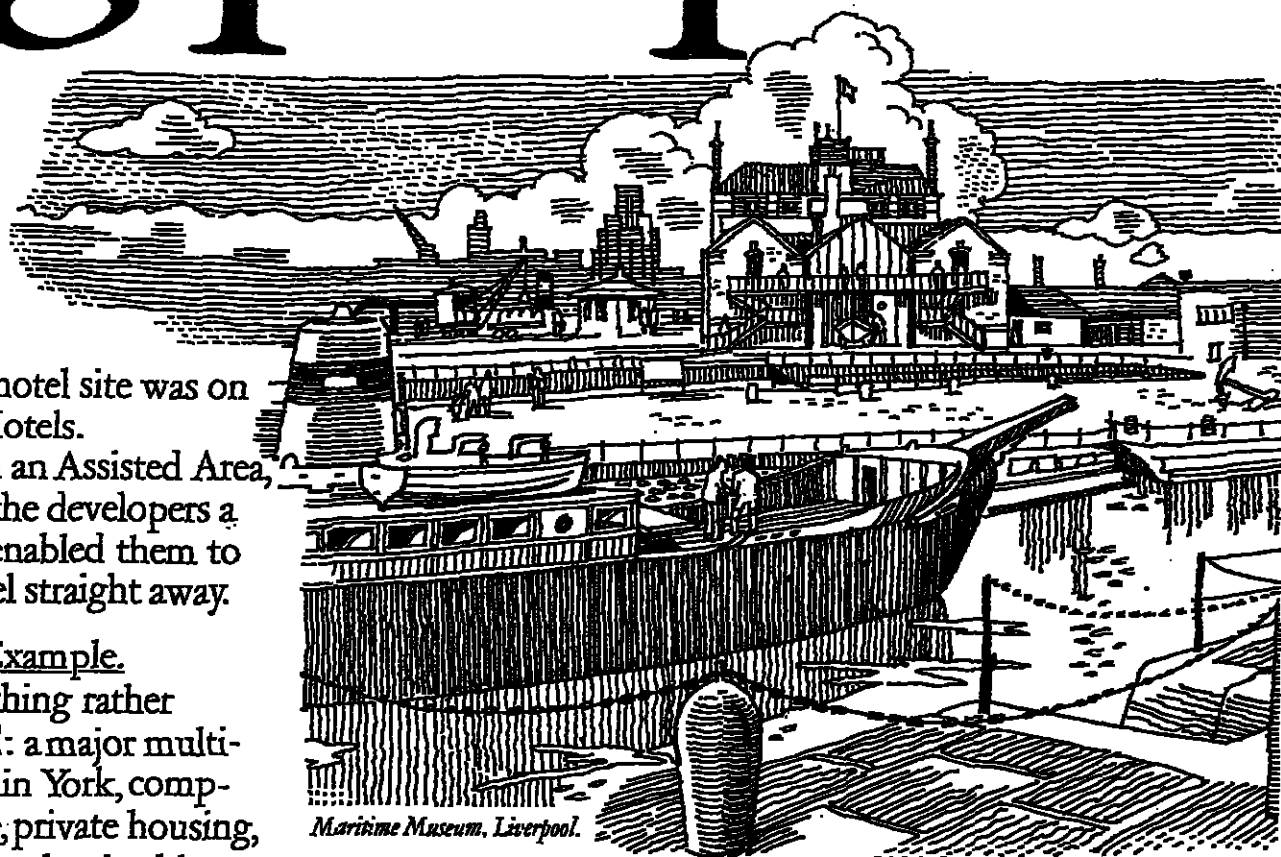
You may be interested to read the ETB publication "Tourism and the Inner City,"* which describes some of the tourism initiatives being taken in our older "inner city" areas.

The Future.

So much for what the English Tourist Board is doing at the present moment. What of the future?

Our research for example shows that there's room for growth in self-catering holiday villages.

We predict that future developers will be looking for year-round operations, based on high-quality, imaginatively-designed central facilities,



offering leisure and recreation for all ages, attractive to holiday-makers and conference delegates alike.

Such developments already exist in Europe and elsewhere, and are profitable.

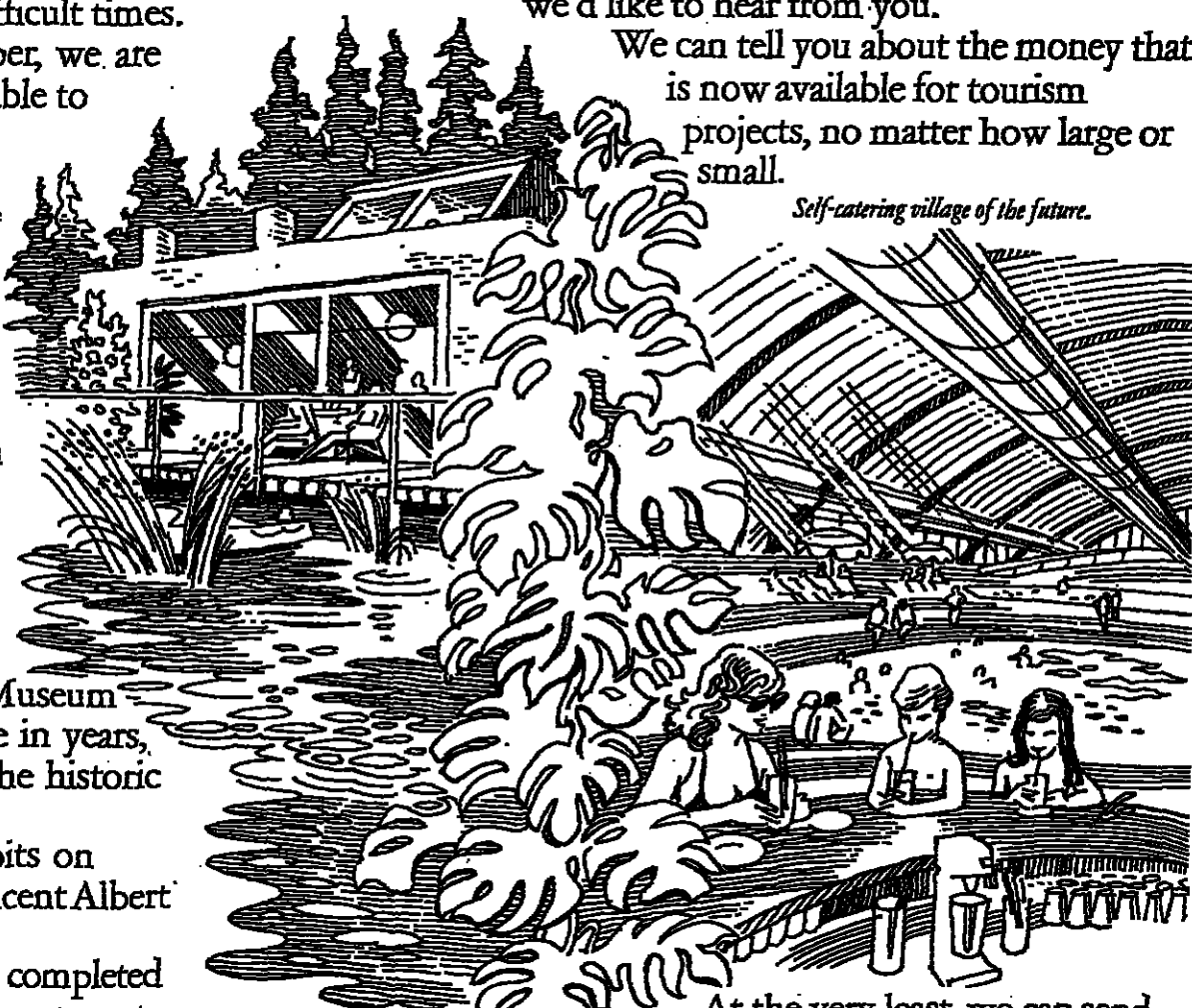
You'll find more information about this sector of the market in "Prospects for Self-Catering Developments,"* an ETB publication.

Find Out More.

If you are considering investment in tourism in England, we'd like to hear from you.

We can tell you about the money that is now available for tourism projects, no matter how large or small.

Self-catering village of the future.



At the very least, we can send you our publication, "Financing Tourist Projects."*

It covers the basics of raising money for tourism; presenting your case; finding a commercial or non-commercial source of finance; how the Tourist Boards can help.

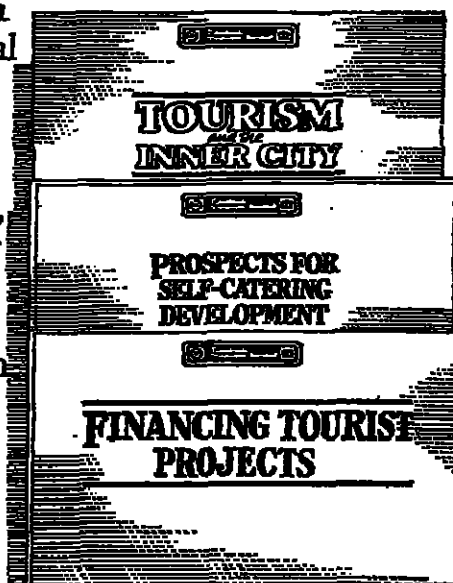
Phone 01-730 3400.

For more detailed information, ask for Miles Collinge, Director of Development, for general advice on tourism investment in England, or Paul McKeough if you need details of grants, loans and other financing services.

*£5.00 per copy.



English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU.



FINANCE AND THE FAMILY

A loss at an auction

BY OUR LEGAL STAFF

I sold a piece of jewellery at Sotheby's. I went to the extra expense of an illustration in the catalogue. Sotheby's now advise the purchaser has not paid for the item in the 28 days time for payment. Amount of sale \$2,500.

Would I be able to take action directly against the purchaser in the Small Claims Court? If I do not take any action against the purchaser, would I be able to get my piece of jewellery back from Sotheby's without paying their commission and the cost of the illustration since they have not "sold" the item successfully?

You can sue the purchaser direct, as you have a contract with him or her. Your proper course is to re-sell the jewellery and to claim from the purchaser any loss on the resale plus the costs of the resale; but you should first call on the buyer to make payment. You are liable to Sotheby's for their commission and the illustration in any event. A claim would not be apt for the small claims court, but would be in the County Court unless it were for more than £2,000.

Capital gains on life policy

I had a unit linked life insurance policy with M and G, which I cashed in last year, details as follows:

Start date—February 1970

Term—15 years. Gross payment—£5 per month. Cashed in—June 1980.

The gross realisation for the policy was £1,113.10 and the total amount invested was \$584.25. Hence the gain on the policy was \$528.85.

However, M and G deducted 18 per cent of this gain because of their liability to Corporation Tax, so I have only received \$1,017.91 (net gain \$433.66).

Would you please advise me how the gain is likely to be treated for Capital Gains Tax purposes and what should I declare? Do I get a tax credit for the 18 per cent Corporation Tax already deducted?

Gains on life policies are only chargeable to capital gains tax if, broadly speaking, they have been purchased from the original policyholder. Gains on life policies may be chargeable to income tax, in the hands of the original policyholder, but yours does not appear to be caught (by chapter III of part XIV of the Income and Corporation Taxes Act 1970), so you

almost certainly have nothing to report in your tax return.

Incidentally, it is not strictly correct to say that the company has made any deduction from the surrender value. The company's prospective corporation tax liability upon any actual disposal of its own investments is merely an element authorised (by the terms of the policy itself) to be taken into account in calculating the amount payable to the policyholder upon surrender or maturity. You appear to have misunderstood the wording of the policy relating to the calculation of the sum payable on maturity etc.

Syndicate and premium bonds

Would you please give an opinion as to whether you consider it in order for an individual to hold Premium Bonds on behalf of a small syndicate? I appreciate that, in the event of a large win, the Bonds and Stocks Office would only pay out the person in whose name the winning bond number is registered, but would complications arise, upon distribution to members of the syndicate, especially regarding CTR?

It is possible to do as you suggest. It is desirable to have a written declaration stating that the bonds are held on trust for the syndicate, and in what proportions each member is to participate: this should avoid the risk of a charge to Capital Transfer Tax if the bondholder were to distribute in a manner which could otherwise be characterised as a gift.

For tax years in which you are regarded by the Inland Revenue as not resident in the UK, you will not be entitled to a married (or even single) man's allowance. However, the building society mortgage interest should be eligible for deduction from the schedule D case VI assessments on your furnished letting profit (or for relief by repayment, if your tenant has to deduct tax from the rent, as explained in the booklet IR27). Some of the points which concern you were discussed in a reply published on September 20, under "Tax relief for mortgage," but you must have missed our comments.

Non-resident for tax purposes

I shortly expect to be transferred abroad for a period of 2-3 years. I shall be non-resident for tax purposes and will have no income arising in the UK other than that derived from letting my home, which I expect to be in the region of £2,500 p.a. gross (before letting agency fees etc.).

(a) I understand that I am able to use my married man's allowance to offset tax on letting income. Please could you confirm this?

(b) I currently have an ordinary repayment mortgage of £15,000 with a building society in joint names with my wife. Do I get any relief here?

(c) Please can you recommend any useful Inland Revenue publications?

You will find general guidance in the following free booklets, which are obtainable from most tax inspectors' offices:

IR11—Tax treatment of interest paid;

IR20—Residents and non-residents;

Alterations and VAT

I refer to your reply under Alterations and VAT (December 20, 1980). My house has a ridge roof with a wing with a monopitch roof, both of which were covered by felt. An architect decided that the monopitch felt required replacing and I decided to tile the ridge roof section at the same time. The ridge roof felt was conserved as a vapour guard and the tiles were fixed on top.

After reading your articles and correspondence I submitted a copy of them to my roofing contractor and I enclose a copy of his reply from the Customs and Excise with regard to zero rating the VAT of the labour component of the tiling of the ridge roof only.

The relevant part of this, from their publication No. 715 reads as follows: (b) Replacements made for the purpose of repair or maintenance are liable to a

positive rate even if, as is sometimes the case, more up-to-date improved or efficient materials and components are used. The following are examples of replacements liable to a positive rate, if they are made for the purpose of repair or maintenance:

(1) General building. Replacing one type of roof by another, eg, slates by tiles. Could I please have your observations?

The first point we would like to make is that Customs and Excise publication number 715 sets out their interpretation of the law but is not of itself part of the law. The point at issue in the ACT Construction case is in fact dealt with in that publication and the wording was criticised by Lord Denning in his judgment and he said he disagreed with other parts of the document.

One of the main points of the

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

dents: liability to tax in the UK; IR25—Taxation of foreign earnings and foreign pensions; IR27—Notes on the taxation of income from real property.

As a non-resident Commonwealth citizen, you will in principle be entitled to a measure of UK tax relief under section 27 (2) of the Income and Corporation Taxes Act 1970, but this depends upon the nature and size of your worldwide income, so the actual relief (if any) is likely to be small, as explained briefly in the booklet IR20.

If there is a double taxation agreement between the UK and the particular country to which you are being sent, this may affect your UK tax position. It is rather a pity that you did not say where you are going.

judgments in our opinion was that the word "maintenance" should be used in its ordinary meaning. Part of the judgment of Lord Justice Brandon might be of use to you in discussions with the Customs and Excise. He said: "For example, if a building has a flat roof which leaks continuously and the owner decides to replace the flat roof with a pitch roof so as to eliminate that defect, then, although that work was designed to eliminate a defect, it would not in my view be maintenance in the ordinary and natural meaning of that word."

In order to be zero rated, the expenditure has to be on alterations which do not amount to repairs or maintenance. In your case, part might be alterations which include maintenance and part might be solely alterations. The important point may be the reasons for making any alterations.

Introducing the Ombudsman...

ARE YOU in dispute with your insurance company over a lost No Claims Discount? Is the payment offered to settle a fire claim too low? Are you unhappy about the amount offered to settle a lost baggage on holiday? No longer will you have to resort to the Courts to get your grievances redressed, or accept the decision of the insurance company.

If you hold an insurance policy with a member company of the Insurance Ombudsman Bureau, then you can have your complaint assessed independently, free of charge, by the Ombudsman, whose decision is binding.

The official launch of the IOB this week represents a new era in consumer protection for insurance policyholders. It represents a radical departure from the present system under which the policyholder may well

INSURANCE

ERIC SHORT

feel that the dice is loaded against him.

Not that the present systems do not, in general, work reasonably well. The popular version of disputes between policyholder and insurance company, with David rarely beating Goliath, is not founded on fact. It is difficult to ascertain the position, but the number of complaints that are received by official bodies each year numbers a few thousand against the millions of transactions that take place each year. The number of complaints is static at present, despite a much greater awareness of rights by consumers.

But under the present system, the insurance company has been likened to acting as both judge and jury. Although the companies claim to bend over backwards to ensure that justice is done to policyholders, it is not seen to be done. And this is against natural justice.

MacGregor's legacy

IF Mr. Gregor MacGregor could speak from beyond the grave he would doubtless express surprise that investors have recently paid double the face value to get their hands on The Independent State of Poyais stock.

For Poyais was a segment of the vivid imagination of this nineteenth century Scottish mercenary and swindler. Three times he fooled the loyal citizens of King George IV into parting with their money. Twice in return for Poyais consolidated stock issued through a banking group headed by a former Lord Mayor of London and once through the sale of land grants, elaborately decorated with the fictional Poyais coat of arms.

So completely taken in were some of MacGregor's unfortunate patriots that 200 far-farm-canny Scotsmen actually set sail for Poyais, said to be near Honduras, in a vain attempt to claim their property. The current value of the Poyais stocks is based on their rarity and colourful detailed blue and red engravings.

One of the land grants will be part of an exhibition of old bonds arranged by dealers Herzog Hollander Phillips and Co. on behalf of the three-year-old Bond and Share Certificate Collectors Society. The exhibition is one of the attractions at the first International Securities Society Congress due to be held tomorrow at Sudbury Conference Hall, 15 Newgate Street, London EC1, from 10 am to 6 pm.

Also on display will be one of the world's most valuable bonds, a red and black 1812 City of Montreal \$500 per cent bond. Only 11 such bonds now exist and one recently fetched \$7,500 at a New York auction.

Railway buffs will find several share certificates issued by 19th century companies including an 1886 issue from the Stockton and Darlington Railway Company, England's first commercial railway and an 1885 Blaydon, Gateshead and Hartburn Railway Company issue printed on vellum showing Rocket-type trains transporting coal to waiting ships on the docks.

At 2.30 pm, 228 lots of stocks and shares will come under the hammer of Mr. Jonathan Lyttleton, the Society's auctioneer. These will include many highly decorative issues, some with embossed seals and multilingual descriptions of the issue and purpose of the fund raising, with an estimated value of between £10 and £25.

Among the stocks and certificates due to be auctioned is a \$4 share issued in 1920 by the

If the policyholder disagrees with the final decision of the insurance company, then he has two unsatisfactory alternatives. He either accepts the decision or he pursues his case through the courts incurring all the expenses that litigation involves. All too often he ungraciously accepts the final offer because the alternative is not viable.

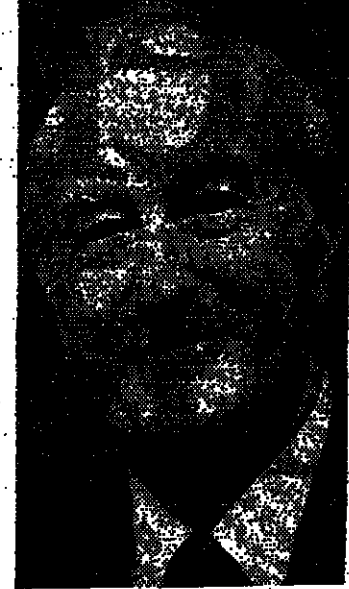
The initiative to break out of the present grace and favour system has come, perhaps surprisingly from three major insurance composites with large personal insurance accounts—General Accident, Guardian Royal Exchange and Royal Insurance. Although satisfied in general with the present system as far as their own companies are concerned, they have accepted that a new approach is needed and there is the argument of an independent assessor of claim disputes that cannot be resolved internally.

The devised system at first sight looks complex. The IOB set up by the insurance companies has a board of directors drawn from the insurance companies supporting the bureau. But the bureau itself is responsible only for administration and control of the overall affairs, in particular the finances of the IOB.

The main operations come through a 12-member council, only three of whom are appointed by the board. The rest come from outside with at least four members closely involved in consumer affairs.

The chairman of the board is Mrs. Joan Macintosh, vice-chairman of the National Consumer Council. And the council, not the board, appoints the Ombudsman and the first holder of the position is Mr. James Haswell, a solicitor with experience first in private practice and then with the Army Legal Service. He has a wide experience in handling individual grievances. But he will be given general policy decisions by the council to ensure his independence.

A policyholder with one of the member companies in the bureau first has to resolve his



Mr. James Haswell

complaint with the company at senior management level. Then if this fails he has six months to contact the Ombudsman. If he decides that the case falls within his remit, he has the power to see all the relevant documents, seek expert advice, hold a hearing of evidence from the consumer and the insurance company in reaching a decision.

He may try to settle the dispute by bringing both sides together or giving advice. Otherwise he will make a decision on the case, which is binding on the insurance company for amounts up to £100,000. His decision will be based not on the exact wording of the law—the insurance company in its final offer will be within the law—but based on both the law and good insurance practice. The policyholder can still go to the courts to get his grievance resolved. But if he

Member Companies of the Ombudsman Bureau:

British Reserve Insurance, Ennia Insurance Company (UK), General Accident Fire and Life Assurance Corporation, Guardian Royal Exchange Assurance, Hodge General and Mercantile Insurance Company, Legal and General Assurance Society, NALGO Insurance Association, Phoenix Assurance Company, Royal Insurance Company.

does not accept the decision then it is immediately cancelled. The cost of the service to the consumer is precisely nothing, at least for the present. It is being borne by the members of the bureau, which means by all policyholders, half the costs coming from the companies in proportion to their premium income and the other half in proportion to the number of consumer needs.

complaints against that company.

The Ombudsman can deal with most non-life claims—except third party claims, but life claims are limited. He cannot deal with disputes over surrender values—the most common source of complaint, bonus declarations or any other matter involving actuarial judgment.

The scheme looks excellent for the consumer and long overdue. So it is disappointing that the support is so far very limited. Only six insurance companies have joined the bureau in addition to the three founders—list is attached. The attitude of the other composites is that of wait and see how it turns out. Eight companies issued an official statement to this effect and also stated that they are looking at other systems of arbitration.

The Office of Fair Trading and the Consumers Association warmly welcomed the IOB. But the British Insurance Association said it was a matter for each member company and it would not even make an official guidance. The Life Offices Association is still studying the position.

Individual life companies feel that for life business the IOB and the Ombudsman is quite irrelevant and unnecessary. Some companies privately said that they were not happy with a system where they relinquished ultimate managerial control to an outsider.

Companies have the right to study the new proposals before taking a decision. But they should make up their minds within a certain period. They should not use the excuse of delaying tactics to keep out. The conclusion should force companies to make up their minds within a certain limited period.

The other useful function of the IOB is the collation of the decisions of the Ombudsman to discover any weaknesses in current insurance practice and communications. The annual report of the functions of the Ombudsman will be most interesting.

There are two dangers that could put this experiment in jeopardy. First the existing members will change their claims disputes procedure so that few if any cases go to the Ombudsman. The other companies can then state that his services are not needed. Or consumers can use a free claims assessor service and flood him with complaints so that the administration gets put under strain. But the member companies are to be congratulated for their boldness in taking the initiative to meet consumer needs.

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FT 21/3

YOUR SAVINGS AND INVESTMENTS

Eric Short looks at a new offer for the self-employed

Vanbrugh gives food for thought

INDEXED pensions are now available to the self-employed. This is the immediate conclusion to be drawn from Vanbrugh Life's announcement that the self-employed can have their pensions linked to its new Index-Linked Gilt Fund, as well as investing their premiums in the fund before retirement.

Before rushing to Vanbrugh's offices, however, it is essential to remember that this indexed pension cannot be on a par with public service pensions. Although the new gilt links both income and capital repayment to the Retail Prices Index, there are considerable differences between the two forms.

Public service schemes provide at retirement a tax-free lump sum and a pension of half final salary, the value of which is linked to the RPI. The cost is met from the public purse. Company pension schemes provide a two-thirds final salary pension, part of which can be commuted, with increases, if any, on an ad hoc basis which lags behind inflation, the cost coming from any investment surplus or shareholders' profits.

The self-employed, on the other hand, build up a cash sum to retirement part of which can be taken as tax free cash, with the rest buying a pension from a life company. The size of the

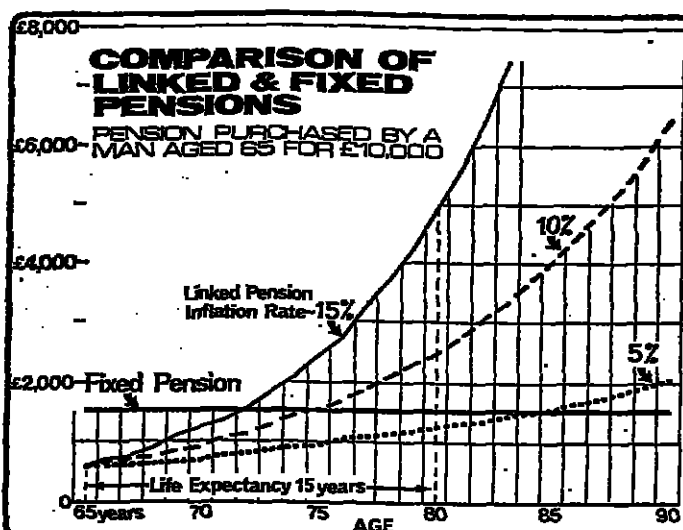
pension depends on market yields at the time. Life companies base this value on the yield it can obtain from gilts—they cannot print money and will be in trouble if they use reserves.

The initial yield on the new gilt Treasury 2 per cent Index Linked, 1986 is as yet unknown but it will probably be very low in the 1-2 per cent range. This compares with a yield of 14 per cent on Treasury 15½ per cent, 1986. So the initial value of the indexed pension will be low compared with a normal fixed pension.

For a man retiring at 65, each £10,000 cash will at present buy from Vanbrugh an annual pension of £1,540 with payments guaranteed for five years, the pension fixed in money terms. The indexed pension from Vanbrugh would be around £800, but it would increase four times a year in line with the movement in the unit price of the Index-Linked Gilt Fund.

Which pension does the investor choose on retirement? Before regarding the £800 from Vanbrugh as insulting, the self-employed need to consider two factors.

The first is life expectancy. According to Vanbrugh's Denis Wells, a self-employed man retiring at 65 in good health can on average expect to live another 15 years.



The second factor is the likely trend of inflation over the next 25 years. The graph shows why. This compares the rise in the indexed pension at various inflation rates with the fixed pension. Strictly speaking, the value of units will fluctuate around the RPI movement because they relate to the market value of indexed gilts.

At 5 per cent inflation, the indexed pension does not overtake the fixed pension until age 85. At 10 per cent, it passes at age 75, while at 15 per cent it exceeds it at age 72. If investors think that future governments are not going to be able to hold inflation in single figures the choice is fairly obvious. One could argue that the initial indexed pension may be low but if the self-employed adjusts his standard of living to that level it will be maintained through life. With a fixed pension, the standard of living declines at an accelerating rate.

It is a difficult time in which to make the big decision. Interest rates are high, but

inflation rates are expected to come down. The choice would be easier if interest rates were low—thus giving a lower fixed pension—and inflation rates were expected to rise.

The self-employed are caught in a Scylla and Charybdis position. Only they can decide what to do. Vanbrugh only deals through insurance brokers and other intermediaries and its circular to brokers merely states that the option is available. Vanbrugh has only been marketing self-employed pensions for three years so very few of its policyholders are reaching retirement. But the pension is available to self-employed with other life companies under the "open market" option.

One possible compromise is to take an escalation pension, increasing by a fixed percentage each year. A sum of £10,000 would buy for a man aged 65 a pension of £865 increasing by 3½ per cent each year. This passes the fixed pension at age 73.

Book early for bed and breakfast

LOOPHOLES

TIM DICKSON

TIME is running out if you want to "bed and breakfast" in 1980/81. The Inland Revenue's "No room at the Inn" sign normally goes up on April 5 but because that is a Sunday, the last possible date for taking action this year is Thursday April 2.

With the Inland Revenue cracking down on tax loopholes, at the moment, it is perhaps surprising that "bed and breakfasting" has survived the purge. For a relatively small fee, however, it is possible to deprive the taxpayer of literally thousands of pounds in the right circumstances.

The whole purpose of this quarterly named transaction is to take full advantage of the £3,000 of capital gains which individuals are permitted to take free of tax each year. (Discretionary Trusts are restricted to £1,500.) These allowances cannot be carried forward to the following financial year but by

"bed and breakfasting" shares or unit trusts showing unrealised gains or losses on their purchase price you start from a higher or lower purchase price when you eventually wish to dispose of the investment. The saving is effectively deferred to another day.

In practice what happens is that you, or your stockbroker, sell the shares as near to the close of business one day and buy them back first thing the following morning in order to establish a technical gain or loss. In this way, the stockbroker can produce two separate contract notes to satisfy the local tax inspector and at the same time virtually eliminate any risk of the shares moving

against you in the interim. Clearly an over-zealous Russian invasion of Poland could be a costly blow if you are "bed and breakfasting" gold shares.

The cost of bed and breakfasting is made up of one lot of stockbroker commission, the jobber's turn-about—£75 on a £3,000 transaction. Unit trusts will generally do the job cheaper if you are holding units. Carry more, for example, simply makes a £10 charge for all deals.

Two examples will serve to illustrate the two forms of "bed and breakfast" deals. Take someone with £30,000 sitting on unrealised gains of £5,000. Some £3,000 of this is held in one company which he decides to bed and breakfast. Later this year he decides to buy a boat and sells his entire portfolio. Capital gains amount to £2,000 which falls within the £3,000 limit. Without "bed and breakfasting" total gains would have been £5,000, on which CGT

would have been payable on £2,000 at 30 per cent, that is £600.

His next door neighbour, meanwhile, has a £50,000 portfolio. Seeing his opportunity earlier in the year to take some useful gains from Australian mining shares, he is now faced with paying gains tax on £3,000. Guest, Keen and Nettelford, however, a poor performer in the past few months, comes to the rescue and he beds and breakfasts this holding to establish a £3,000 loss. This can be offset against the other gains to eliminate gains on the tax liability.

One final word of warning. "Bed and breakfasting" is not generally worthwhile if the gains or losses are only small in percentage terms. Mr. Graham Mann, a private client partner at stockbrokers Grieve-Son Grant, reckons that as a rule of thumb they should be at least in the order of 20 per cent.

The only Gilt Unit Trust with a proven performance record

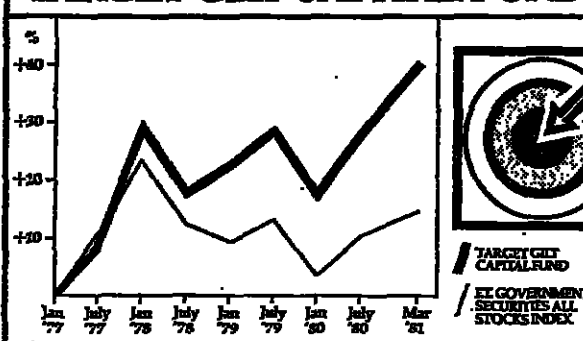
Target Gilt Capital Fund is the only authorised Gilt Unit Trust which has been in existence for long enough to have a meaningful track record—and as can be seen from the graph, the record is impressive. The offer price of units has increased by 40% (excluding accumulated interest) since the Fund was launched in December 1976 compared with a rise of 14% in the FT Government Securities All-Stocks Index.

A Capital Fund for the Higher Rate Taxpayer

Why a Capital Fund? Two reasons: first, tax on capital gains is less punitive than tax on income—particularly in the case of higher rate taxpayers.

Second, investment decisions to remain fully invested or go totally liquid are not hampered by yield considerations.

TARGET GILT CAPITAL FUND



How the Investment Policy works

Prices of Government Securities fluctuate not only with changes in interest rates but also in line with general expectations of such changes. The Managers seek to anticipate these fluctuations in order to maximise the total return to unit holders. They are able to retain all or part of the Fund on deposit when they believe this to be the best course of action, and an active switching policy can be pursued between stocks of

different maturities to take advantage of changes in the pattern of market rates.

Rewarding Prospects

With lower interest rates in prospect later this year, we believe that there is substantial scope for further capital appreciation in the gilt market and that investments made now in Target

Gilt Capital Fund will prove to be rewarding.

The net income from the units is not distributed but reinvested in the Fund so adding to the value of units. The number of your units does not change. The current estimated gross annual yield is £3.25 per cent.

Remember, the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

Offer of units at 146.6p each until 27th March, 1981.

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Please let me have details of Target Gilt Exchange Scheme. ☐
This offer is not available to residents of the Republic of Ireland.

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Filling a gap in the market

IT IS still difficult these days to know where to turn for impartial investment advice. Most merchant banks are really only interested in sizeable sums—and even then it is galling to think that with £100,000 you are probably one of their poorer clients.

Clearing bank trust departments have improved over the years but with such vast sums under their control they inevitably convey a somewhat unexciting image.

Stockbrokers in many cases do the job extremely well but some are tempted to manage their discretionary accounts too actively while others simply leave them dormant for months or even years at a time.

All this explains why a small band of investment managers—the Association of Independent Investment Managers—feel there is a gap in the market and they are the best people to fill it. The association which has 12 members with clients funds of £150m-£200m, was set up in 1976. Members offer individual investment management for clients with relatively small portfolios (in many cases down to £10,000) and in most cases take their charges as a flat percentage of funds.

The big worry for the Association of Independent Investment Managers at the moment is the possibility of repercussions from the Norton Warburg fiasco. Last week it

emerged that the directors of this investment services group had used clients' funds to finance ultimately ill-fated ventures. The approximate statement of affairs showed an overall deficit of £4.7m and a shortfall on clients' accounts of about £2.6m.

Norton Warburg was not a member of the AIM. Its chairman Mr. Patrick Ridgwell points out that the association's rules are "as tight as we can make them."

One of them, for example, states categorically that it "is a fundamental rule that a manager's funds and clients' funds must be kept separate at all times." In addition, there are strict requirements about the custody of clients' money, fees, reporting and the records which managers have to maintain.

Mr. Ridgwell admits that in practice it may not always be possible to ensure that members are sticking to the rules. "What we do is ask each of them to provide an auditor's certificate each year which in most cases are produced by major and highly respectable firms. The certificates we have seen show that the auditors know what we are looking for."

"We also have the power to ask an outside auditor to look at the books if we hear any nasty rumours. I hasten to add that this has never been necessary."

As a long-stop most members of the AIM have professional indemnity insurance, as Mr. Ridgwell puts it, "just in case an employee goes off the rails." This, however, is very expensive and even cover of £100,000 requires an annual premium of around £2,000. It is therefore not a condition of membership at the moment.

A properly administered compensation fund on the lines of the Stock Exchange, the Law Society and the insurance broking community, under the Insurance Brokers Registration Act would be the ideal solution for the AIM. Unfortunately, however, the association is too small to finance an insured scheme.

If you are thinking of employing the services of an independent investment management company, you should ask: Is it a member of the AIM? If not, why not? (The answer, quite legitimately, may be that the AIM is only a small organisation and only represents part of the market.)

Does it separate clients' and managers' funds? If not, why not?

Does it have professional indemnity insurance?

A list of members can be obtained from the Secretary of the AIM, 19 Widegate Street, London, E1 7EP (off Bishopsgate).

Tim Dickson

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Abbey Gilt & Fixed Interest Trust

OBJECTIVE: high income plus capital growth from an actively managed portfolio currently in gilts. Distributions (now on a quarterly basis) have increased from 5p-13p a unit since launch in Dec. 1978, plus a 12.4% capital value increase.

Offer price: 112.4p. Estimated gross yield: 7.16%. Price of units and estimated gross yield as at 19th March, 1981. Distribution dates: 30 April, 31 July, 31 Oct, 31 Jan, (final). An initial charge of 5% is included in the offer price of the Trust, an annual charge of 0.5% plus VAT is deducted from the Trust's net income. The Trust Deed permits a maximum annual charge of 15 plus VAT to be deducted from income.

*Performance to 19th March, 1981.
To: Abbey Unit Trust Managers Limited, 1-3 St Paul's Churchyard, London EC4M 8AR.

I/We enclose a cheque for £ (minimum £500) payable to Abbey Unit Trust Managers Ltd for investment in Abbey Gilt & Fixed Interest Trust at the offer price ruling on receipt of this application.

I am/We are over 18 years of age. FT/8/21/81

Forename(s) (BLOCK LETTERS PLEASE)

Surname

Address

Postcode Date

Signature(s) (In case of joint applications all must sign and attach names and addresses separately.)

☐ Please let me have further details of the Trust. ☐ Please let me have details of the Automatic Reinvestment Scheme.

Abbey Income Trust

OBJECTIVE: a high and increasing income from a reorganised portfolio invested mainly in smaller UK companies. Distributions (paid quarterly) now give an income yield over 50% higher than that on the FT-A All-Share Index.

Offer price: 37.7p. Estimated gross yield: 9.26%. Price of units and estimated gross yield as at 19th March, 1981. Distribution dates: 31 May (final), 31 Aug, 30 Nov, 28/29 Feb. An initial charge of 5% is included in the offer price of the Trust; an annual charge of 0.375% plus VAT is deducted from the Trust's gross income.

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Forename(s) (BLOCK LETTERS PLEASE)

Surname

Address

Postcode Date

Signature(s) (In case of joint applications all must sign and attach names and addresses separately.)

☐ Please let me have further details of the Trust. ☐ Please let me have details of the Automatic Reinvestment Scheme.

Abbey American Growth Trust

OBJECTIVE: capital growth and some income from a portfolio of leading North American companies, with current emphasis on energy and technology. Up 25.2% since launch in Dec. 1979 compared with a 13.4% increase in the Dow Jones Index (adjusted for £/S exchange rate).

Offer price: 62.6p. Estimated gross yield: 2.2%. Price of units and estimated gross yield as at 19th March, 1981. Distribution dates: 28/29 Feb. An initial charge of 5% is included in the offer price of the Trust; an annual charge of 0.5% plus VAT is deducted from the Trust's gross income, reference to 19th March, 1981.

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Surname

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Postcode Date

Signature(s) (In case of joint applications all must sign and attach names and addresses separately.)

☐ Please let me have further details of the Trust. ☐ Please let me have details of the Automatic Reinvestment Scheme.

Abbey Worldwide Bond Trust

OBJECTIVE: capital growth and some income from direct investment in overseas fixed interest securities. The Trust is actively managed to take advantage of the opportunities offered by currency and bond market fluctuations.

Offer price: 99.9p. Estimated gross yield: 6.71%. Price of units and estimated gross yield as at 19th March, 1981. Distribution dates: 31 July. An initial charge of 5% is included in the offer price of the Trust; an annual charge of 0.5% plus VAT is deducted from the Trust's gross income.

To: Abbey Unit Trust Managers Limited, 1-3 St Paul's Churchyard, London EC4M 8AR.

I/We enclose a cheque for £ (minimum £500) payable to Abbey Unit Trust Managers Ltd for investment in Abbey Worldwide Bond Trust at the offer price ruling on receipt of this application.

I am/We are over 18 years of age. FT/8/21/81

Forename(s) (BLOCK LETTERS PLEASE)

Surname

Address

Postcode Date

Signature(s) (In case of joint applications all must sign and attach names and addresses separately.)

☐ Please let me have further details of the Trust. ☐ Please let me have details of the Automatic Reinvestment Scheme.

Abbey Capital Trust

OBJECTIVE: capital growth from a re-structured portfolio invested mainly in UK growth companies, recovery stocks and asset situations. Income is automatically reinvested through Accumulation Units.

Offer price: 49.7p. Estimated gross yield: 4.93%. Price of units and estimated gross yield as at 19th March, 1981. Distribution dates: 31 May. All Units of Accumulation type, income automatically reinvested.

An initial charge of 5% is included in the offer price of the Trust; an annual charge of 0.375% plus VAT is deducted from the Trust's gross income.

To: Abbey Unit Trust Managers Limited, 1-3 St Paul's Churchyard, London EC4M 8AR.

I/We enclose a cheque for £ (minimum £500) payable to Abbey Unit Trust Managers Ltd for investment in Accumulation Units of Abbey Capital Trust at the offer price ruling on receipt of this application.

I am/We are over 18 years of age. FT/8/21/81

Forename(s) (BLOCK LETTERS PLEASE)

Surname

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A fresh look from Abbey. We've introduced two new trusts, American Growth and Worldwide Bond. And we've revitalised three others, redefining aims, adding new features, reorganising underlying portfolios. We're now looking forward to sound, steady results in investment

areas where our expertise is strong, and across a comprehensive range of trusts which you can invest in today.

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General information: You can buy or sell units on any business day and a Contract Note will be sent on receipt of your instructions. A Unit Certificate will be forwarded within six weeks. Payment for repurchased units is normally made

within six working days of receipt of your renewed Unit Certificate. Unit prices and yields are published daily in the Financial Times and other leading newspapers. Charges details of charges appear in the application

forms above. Remuneration is paid to qualifying intermediaries; fees are available on request. Managers: Abbey Unit Trust Managers Limited, Registered Office: 1-3 St Paul's Churchyard, London EC4M 8AR. Registered in England No. 972411.

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Abbey Unit Trust Managers Ltd, A subsidiary of Abbey Life Group Ltd, A British Company of ITT, Member of the Unit Trust Association.



Abbey Unit Trusts

PROPERTY

Some straws in the wind

BY JUNE FIELD

THE DROP in MLR and consequent reduction in the cost of home loans, was obviously greeted with enthusiasm in the housing market, bringing down as they do the cost of mortgages and bridging finance. But at the moment, many estate agents are reporting a rush of instructions to sell, rather than enquiries to buy.

The previous drop of 2 per cent on MLR in November had already started to revive a somewhat moribund market, with a backlog being cleared off the registers. Now many vendors who withdrew their homes a few months ago because of so-called "sales" that broke down well before exchange of contract stage, are putting them back.

One frustrated vendor in the home counties told me that he had put his £105,000 house up for sale a year ago. The first deal fell through because the buyer could not sell his own house. On the second, some one in the prospective purchaser's family died, while on the last effort "the person wanting the house" was unable to raise the necessary funds when to sign the contract, wanting a lower price than agreed.

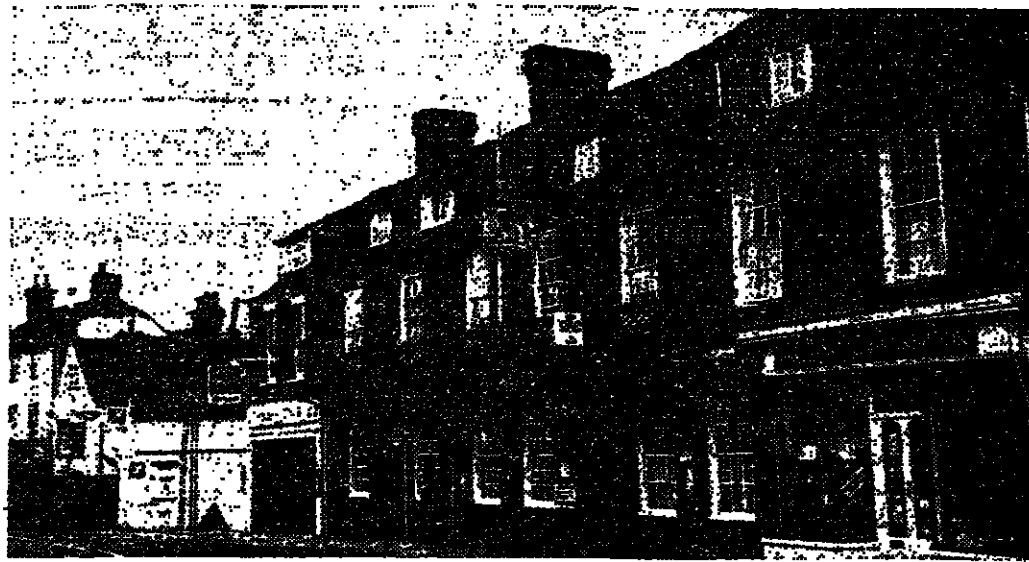
and expecting a lot of fixtures to be included that he had previously expressed no wish to have, that I withdrew. After some redecoration, he is having another go at selling.

"Quite suddenly people are realising that this is going to be a far more active year than the last one, with the result that we have been busier taking instructions during the last week than at any time for several years," says Mr. Geoffrey van Cutsem, partner in Savills. He hopes that there will now be a stable market, evenly balanced between vendors and purchasers, and predicts a 5 per cent increase in prices until the autumn, followed by a sharper rise through into 1982.

"The opportunities are there. We must now do all we can to see that they are grasped," is how the Chancellor referred to the Business Opportunities Programme that the Government is launching to publicise the help, advice and incentives available to small businesses. The raising of the tax-free redundancy threshold to £25,000 from £10,000 on April 6, and those who are redundant being urged to "help themselves and the economy by setting up in



Mid-terrace cottage tucked away in a Cheadle, Cheshire, backwater, has been extended to provide two bedrooms, two living-rooms, kitchen and bathroom. £19,795 freehold is being asked by Michael Rains, Samuel Rains & Son, P.O. Box 10, The Crescent, Cheadle, Cheshire (061-491 0111).



The George Hotel in a Kent County town is featured on the jacket of Miles Quest's 'How to Buy Your Own Hotel'. The book's sponsors, James H. Nairn, Brodie Marshall & Co., 66 Bolsover Street, London, W1 (01-388 2272),

were inviting offers around £75,000 for a 14-year lease (the balance of a 21-year term from the brewers, Whitbread Fremlin), goodwill and trade inventory.

business," has brought a rush of inquiries, with pubs and small hotels well in demand.

"All this is a big boost for small undertakings, and could well result in secondary industrial, office and shop space being taken up by new businesses," comments Mr. B. T. Read, who looks after the shop side at Bernard Thorpe and Partners' Manchester office. And even just before the Budget, Mr. Ian Hoddell, partner in Alonzo Dawes and Hoddell of Bristol, with seven offices throughout Avon County, had observed in their annual report that "the demand for shops continues unabated."

"The number of shop inquiries we receive every day indicates a surprisingly high proportion of people who are prepared to invest their savings in the running of a small shop business. Often the business is to supplement the husband's income, and in many cases reflects the desire to be one's own boss."

But he also warned: "Unfortunately many traders have found during the year that there are other factors in running a shop besides standing behind the counter and collecting the money."

And as Miles Quest wrote in *How to Buy Your Own Hotel*, if you want to buy one to get away from it all, be sure you know what you are escaping from and committing yourself to. It can be a liberating move, or a step inside a prison of work. Selling over 6,000 copies since it was published a little over a year ago, the book is £6 post-free from the sponsor, Mr. James H. Nairn, chairman and managing director, Brodie Mar-

shall and Company, 66 Bolsover Street, London, W1, who will also supply details of hotels for sale, if you say what price bracket you are in.

If you want to run a pub, one of the biggest brewers in London is looking for married couples, preferably with no ties, aged 25-45, to train for pub management. Details from Mr. David McKinney, Ind Coope, 160 St John's Street, London EC1.

Useful advice for the independent hotelier on how to attract overseas customers in this Royal Wedding year is in *The Independent Hotel - a Guide to Overseas Marketing*, free from Circulation Unit, British Tourist Authority, 4 Bromley Road, London, SW4 0BJ.

Ralph Lewis' *Making and Managing a Craft Shop*, just published by David and Charles, £6, reminds readers that although purchasing premises with living accommodation eliminates the problem of rent, there are still rates and other outgoings, which must be covered on stock. If you are an actual crafts-person, *Michelle Mason's Creating Your Own Work* gives case histories of successful and less so ventures. £2.50 from Gresham Books, Old Woking, Surrey.

Each year nearly 400,000 homes are bought by first time buyers, and the Abbey National Building Society says that last year it helped more than 65,000 of these to buy their own homes. To increase its share of the market it has launched a Home

Buyers Club. Members will get a special kit with a discount card for furniture at Cavendish and Woodhouse, Debenhams, Habitat and Times Furnishings, plus a series of fact sheets which include a guide to the legal work involved in home-buying, a savings and budget planner, plus some pertinent reminders of what you can't do when the society has made you a loan.

For instance, you have to ask permission to let any part of your home, get their approval to make any major alterations, and there is a warning that "your property must be kept in good repair so that the market value does not drop unnecessarily."

A regular News Letter will chart the level of house prices in various parts of the country and the first issue shows that in the fourth quarter of last year, prices of homes for first-time buyers rose 0.2 per cent to an average of £19,660. Greater London was the highest price region at an average price for a new property of £26,703, for which an advance of £20,414 needed an income of £8,050 a year; a second-hand house in the East Midlands costing £14,077 merited an advance of £11,588 on an income of £5,663.

To belong to the club, you need to be a member of the Abbey National, actively saving with them to buy a home. Details and free "Home Buyers Club Guide To Home Ownership" booklet from your local branch office, or through Mr. Peter Harvey, public relations manager, Abbey National, 27, Baker Street, London, W1.

SKIING

ARTHUR SANDLES

IMPULSE skiing is often more fun to think about than do. The idea of renting a car and heading for the slopes after a few days' business in some foreign city is great. The problem of finding skis, boots and suitable clothing is quite another.

At least as spring heads our way the problem of clothing is reduced. Better weather conditions mean that as long as you have a pair of jeans, a sweater, some ski gloves, sunglasses and perhaps one of those thin nylon jackets favoured by some cyclists and golfers, you should be able to take the offer of "let's go skiing."

Of course, some cities are better placed for a dash for the ski lifts than others. Most favoured, obviously, are places like Zurich and Geneva, where the abundance of local skiing is tempting indeed. From Zurich I'd tend to head for the Davos Klosters area which is less than 150 kms away, and from Geneva the choice would be between Les Diablerets (partly because of the superb glacier runs which open about this time of year) and Flaine.

Elsewhere the choice is more limited and to some extent depends on your determination and the depth of your pocket. From Paris, for example, the Alps are only a hop and skip away if you can afford the air flight. The same applies to Los Angeles, where the skiing at Mammoth, which is in the heart of the Inyo National Forest high in the Sierras of eastern California, is

SNOW REPORTS

EUROPE

Serre Chevalier (Fr.) 20-80 cm
Les Arcs (Fr.) 110-240 cm
Tignes (Fr.) 130-240 cm
Isola (Fr.) 30-60 cm
Kilise (Fr.) 30-60 cm
Waldsee (Aust.) 20-120 cm
Andermatt (Sw.) 100-350 cm
Crans-Montana (Sw.) 77-150 cm

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.) 3-40 ins
Stowe (Vt.) 3-34 ins
Hunter (N.Y.) 10-80 ins
Park City (Utah) 8-50 ins
Aspen (Col.) 12-54 ins

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Calva: Some main runs complete, narrow. New snow.
Glenshee: Only one main run complete.
Lecht: Some main runs complete, narrow. Spring snow. Most main runs complete. Powder snow, firm base.

an enormous temptation.

The trip from New York to Hunter Mountain in New York State is rather simpler, and cheaper. For \$30 you can buy a ticket in Manhattan which includes your transportation to and from the ski slopes and the lift pass. Hunter has the most sophisticated snow-making equipment in the world and has snow when other places have nothing but brown earth.

It is a superb day ski area. I would say the same of Winter Park, which is in easy driving distance of Denver, Colorado. The Mary Jane area of Winter Park will put the most energetic of skiers to the test.

From Oslo or Bergen in Norway the obvious choice is Voss, which stands on the main

road and rail links between the two cities. Voss has both downhill and cross-country skiing. For the impulse skier, of course, cross-country has particular attractions, notably thanks to the clothing and the lower cost of equipment rental.

In winter there seems no particular reason why business people who go together in the summer should not ski together. The bad news, and there always is some, is that ski resorts, particularly those near the big cities, can be very crowded at weekends. The other sour note is that you should check your medical insurance carefully; your normal policy might exclude winter sports unless the company is informed in advance.

RACING

DOMINIC WIGAN

THERE IS a sub-standard look about today's 7,000 feature prize, the Anselmy China Cup at Chesham, for, predictably, those that dominated it at the four-day declaration stage—Claydon, Easter Eel, Little Owl and Wayward Lad have all fallen by the wayside, following appearances at Cheltenham. In their absence the course specialist, Major Swallow, and an equally consistent sort in Oakprime may fight out the final.

Major Swallow, whose rider, John Francome, was lucky not to be called before the stewards at Sandown a week ago, when

he eased Major Swallow out of a place in the Beech Open Novices' Chase, was last seen in the winners' enclosure at Huntingdon on January 29. There the Uplands six-year-old won, all out, by four lengths from Oakprime, whom he was meeting on level terms. This afternoon many will doubtless take Oakprime to turn the tables on 4 lb better terms. He may do so but I believe a stronger case can be made out for the more lightly raced Major Swallow on whom Francome was so perceptive on the Easter track.

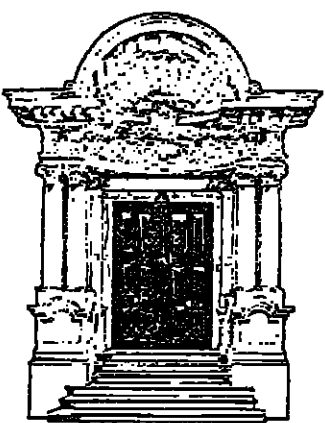
Few hurdlers relish the mud as much as Silversmith, and no one should be surprised to see the French-bred eight-year-old leave recent form well behind in the Holsten Pils Hurdle. Here, Les Kennard's apprentice-ridden grey need only show a

glimpse of the form which saw him landing five hurdles races in the 1978-79 campaign to take a hand in the finish off 10 stones. He is preferred to Baron Blakeney's course-winning stable-companion, Carrie Ann, who is another long absent from the winners' enclosure, having not obliged since putting 2½ lengths between herself and Henry Hotfoot in a 25-runner event at Haydock 14 months ago.

CHEPSTOW
2.00—Silversmith**
2.30—Major Swallow*
3.00—Don Ferguson
4.30—Easter Carnival**
LINGFIELD
1.30—Ulmur
2.00—Weavers Looch
2.30—Tragans
3.00—Letterbox

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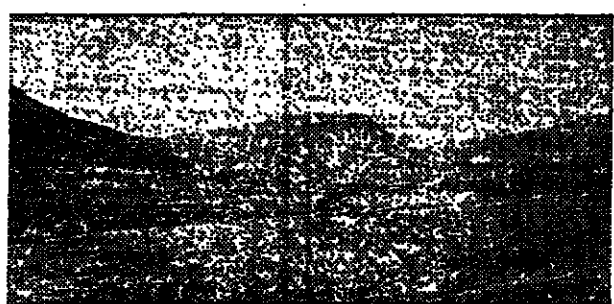
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MOTORING/TRAVEL

Beating jams with the big Audi

BY STUART MARSHALL

IT WAS still dark when the Townsend Thoresen ferry docked at Le Havre ahead of schedule and it took ten minutes for the customs men to unlock the dock gates and wave us through.

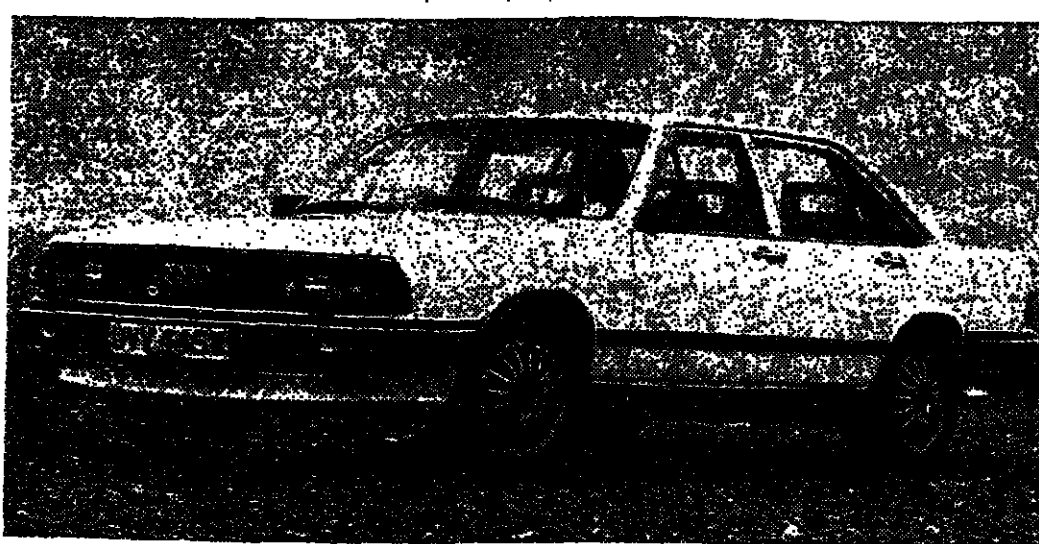
In two hours we were crawling in the commuting jam on the approach to the Paris périphérique and by lunchtime we had turned off to the new route de Solei on the new A36 at Reims. Even the latest maps show this route as under construction, but it has been open for some months though it is still eerily free of traffic.

By mid-afternoon we were splashing through shallow floods between high snow banks on the road over the 4,300 ft Col de la Faucille. Then it happened. Round a bend a long line of vehicles had halted. A couple of machines were peering away at a huge dollop of wet snow that had slipped off the mountain and blocked the road for 30 yards, head high. Instead of waiting, we backed up to La Cure and took the Col de la Givrine through St. Cergue and into Geneva. As we unpacked, it was still broad daylight.

The journey proved two things. That the most painless way of driving to Geneva is to take the overnight Townsend boat from Southampton, go to bed well fed and wake up rested.

Then, next day it is simplicity itself to get to Geneva in nine hours, averaging 50 mph for the 450 miles without more than slightly bending the law. A cruising rate of 85-90 mph appears to be tolerated on the 130 km/h (81 mph) restricted motorway just as 75 mph won't get you in trouble on the M1. And the other thing the trip proved was that an Audi 200 SE automatic was an ideal choice of car.

This big, five-seat saloon is



The Audi 200 SE. A 200 Turbo without the turbocharger, it is a big, fast and surprisingly frugal motor car

essentially the same as the 125 mph 200 Turbo. Lacking a turbocharger, it is not quite as fast, though a 113 mph maximum and 0-60 mph acceleration time of 12.5 seconds must be rated more than adequate.

At £10,334 it is more than £2,600 cheaper and I doubt, too, that the strongest minded 200 Turbo driver would get near the 24.2 mpg I averaged for 1,221 miles of driving on both sides of the Channel. For those seeking even better economy, the 4+E manual 200 is available. Its five-speed gearbox has an ultra high top gear and the car is faster in fourth than fifth. The official figures are (manual in brackets) urban cycle 20.9 mpg (22.2 mpg), steady 56 mpg (58.1 mpg) and steady 75 mpg (78.3 mpg). From which it is clear one pays a high price for the convenience and driving ease of two pedal control when the manual alternative is as cleverly engineered for economy as the Audi 200

with "4+E" transmission. Like the Turbo, the 200 SE has large diameter, light alloy wheels and 60 series, ultra low profile tyres (Pirelli P6 on my test car). They rumbled noticeably at 85-90 mph on the coarse autotour surface but this seemed fair exchange for the sharp steering response and apparently limitless grip, wet or dry, on non-motorway roads.

South of Auxerre the autotour surface changes and the relative silence was dramatic. The music on the stereo did not have to be played for some time and I also became aware of the very low level of wind noise.

The big Audi's ride is exactly right: the suspension with its torsion beam rear axle takes the sting out of rough patches but allows hard cornering (which those super Pirellis encourage) without roll or sway. For all its roomy interior and enormous boot, the Audi drives with the nimbleness of a far smaller car. Though typically firm, the

seats are well shaped and still feel fine after a 500-mile stint. Power assistance removes the effort but, not the desirable information feedback from the steering. The brakes are gently and progressively powerful; the automatic transmission self-effacingly smooth. It slurs into high at around 65 mph and kicks down into middle at 60 mph if you floor the accelerator, at which the econometer needle shoots to the top of the dial. I obtained 24.2 mpg with brisk driving because I kept a sharp eye on the econometer. Even a 100 mph cruise can be made less fuel extravagant by lifting off enough to lower manifold depression, which makes the needle drop.

Standard equipment on the 200 SE, besides alloy wheels and power steering, includes central locking, electric windows and an excellent Blaupunkt stereo with four speakers. The front seats — adjustable for rake, reach and height — have storage pockets in the backrests. Trim is luxurious velour with deep pile carpets. The only important 200 Turbo equipment item denied the 200 SE purchaser is a cruise control. It would have been welcome on the trip to Geneva because the accelerator is too high. Why, I wonder, can't we have those smooth American organ pedals that suit size nines and size four equally well?

This week I have been driving the Audi Quattro coupe that so impressed me in the hills behind Geneva last year. More about this next Saturday.

The not so blue Danube

BY SYLVIE NICKELS

"EXCUSE," said the waiter, sliding in with our breakfast tray. "You are geriatrics, yes?"

"No," we said, puzzled but without hesitation, and paid the proffered bill.

What he meant we discovered later was that, had we been following the famous Gerovitol regenerative treatment available at our hotel (the Flora) in Bucharest, we would have paid for our breakfast with vouchers rather than cash.

Romania, like her neighbours, is very voucher-minded and there is no doubt that life is much simpler if you follow the well-trodden, voucher-strewn path of the package tour. If not, you become involved in obligatory daily expenditure (currently 510 a day) and if, to boot, you are a motorist, the need to buy petrol coupons in hard currency, entailing tedious calculations from mpg to kilometres-per-litre across the unfamiliar distances of the Romanian map.

Last summer, we proved that it was all worthwhile by discovering the most extreme contrasts of that very fair land without setting a single foot on the highly packaged sands of the Black Sea coast. A Romanian friend persuaded us to begin our tour in the mountains of north Moldavia. The region is well known for its painted medieval monasteries — such as Voroneţ, Humor, Sucevita, Moldovita — but just as rare is its quite remarkable richness in a living folk culture that, in most of western Europe, hardly survives outside museums. With one's own transport, the two can be marvellously combined; the settings are simply stunning, and a growing number of small mountain resorts are catering for discriminating adventurers.

One of them is Durau, nestled beneath the distinctive hulk of Mount Ceahlău in the eastern Carpathians, whose presence has dominated Moldavian folklore from the beginning of time. It is also one of several mountains on which annual celebrations connected with the sun draw vast crowds, with feasting, frolicking and religious worship confusing any distinction that might be made

Above, the Danube Delta at Tulcea, and right at Murighiol

between the sacred and the profane.

From here we went on to explore our Romanian friend's favourite valley, the Bistritza, whose upper reaches swirl magnificently for some 150 km from just beneath the Prislop Pass down to the large man-made lake of Bicaz. But the valley is not merely breathtakingly beautiful; ethnically it has a rare completeness.

Thatched or shingled roofs and colour-washed facades, sometimes decorated with delicate floral motifs, reflect a quiet evolution that has grown out of generations of continuity in these farming and forest communities. Apart from a few gradual changes, things are as they are simply because that's the way they have always been.

These mountains of Moldavia lie about 500 km north of Bucharest; the Danube Delta about 300 km to the east of the capital. In terms of scenery, economy and folk culture, the contrasts are total.

We "did" the Delta by canoe, but it is not necessary to be so drastic. From the main town of Tulcea, near which the Danube separates into three main arms on its final meandering to the Black Sea, there is a choice of excursions ranging from a few hours to several days; such packages include accommodation, meals, transport and guides. In some places, however, you can make your own arrangements with the local fishermen who can be the best guides of all.

Murighiol is one of the few such places accessible by car, but others can be reached by the regular passenger boats that link Tulcea with Sulina and Sfântu Gheorghe, respectively on

the Black Sea outlets of the middle and southern arms of the Danube. Tulcea itself has a wide range of accommodation, an excellent Delta Museum and the animation of a substantial river port.

The main shipping channel through the Delta is down the central, largely canalised Sulina arm and from it, full-sized ocean-going vessels emerge to nose their way through the heart of Tulcea, looming high above the busy little sightseeing boats, the mini-hydrofoils, and the periodical manoeuvres of the Romanian Navy. We chose the much more sinuous and lonely southern arm, which we shared only with the daily passenger boat, a few tourists and, from time to time, attractive strings of fishing boats, oars at rest, being towed out to or back from their fishing grounds.

We got mildly lost in labyrinthine channels that went on for ever through the reed beds. We were hailed by fishermen who sent fish still flipping into the bottom of the canoe, and villagers who piled us with plums and sweet melons.

We watched stately fleets of

pelican sail across the sky which, in the evenings, became a glowing backdrop for egrets, bitterns, herons, glossy ibis, homing on to their roosting grounds; and in the willow groves, wild pigs hollowed themselves out beds for the night.

In Sfântu Gheorghe the only accommodation is pretty basic and on board a pontoon; meals are available in charming private homes. Tourism has made virtually no other material impact on this dusty little place, where sturgeon fishing is still a main occupation and the army keeps a watchful eye out to sea. The only link with the outside world is the daily passenger boat. At a hideously early hour one morning, we clambered sleepily on board and headed for Tulcea, our car, and home.

Further information: Romanian National Tourist Office, 98-99 Jermyn Street, London SW1. Self-drive packages are available and obviate the long drive from Britain, they normally cover return air fare, car hire, half-board and a free daily petrol allowance.

CHESS

LEONARD BARDEN

KARPOV AND Korchnoi, once more protagonists in a world title match this summer, are using a run-up period to iron out weaknesses revealed three years ago at Baguio. For Korchnoi, now a veteran challenger at 49, the problem both then and in an earlier match with Karpov was that he did not play consistently well until the overall score was desperate. Moreover, his form in the current candidates series and recent internationals has been so unconvincing as to raise the question whether age has at last caught up with him.

Last month Korchnoi was the invited star in the annual Banco di Roma international held at the bank's sports centre. Hundreds of Italians came to watch and this time he did not disappoint his public, spreading a quite reasonable field of grandmasters by a wide margin over only nine rounds: Korchnoi 8, Cosm 5½, Parma and Tatali 5, Matanovic 4½, and five others.

Part of the psychology of world title preparation is to hide

your opening secrets (remember Fischer's 1 P-QB4 against Spassky?), but White's formation in this game is so clearly a Korchnoi favourite that Karpov would be foolish to rule it out.

Viktor Korchnoi (Switzerland) Georgios Makropoulos (Greece) English Opening (Banco di Roma, 1981)

1 N-KB3, P-QB4; 2 P-B4, N-KB3; 3 N-B3, P-QN2. Several other moves are possible, but Karpov, like Black here, often relies on the QB fianchetto.

4 P-K4, P-Q3; 5 P-Q4, P-P; 6 N-F2, B-N2; 7 Q-K2!

More effective than the older 7 B-Q3. White's KB will neutralise the black opponent on the long diagonal.

7... P-K3. In Korchnoi-Gheorghiu (Philips and Drew Kings, 1980) 7... N-B3; 8 N-KN, 9 B-N5, N-Q2; 10 O-O, O-O gave White attacking prospects.

8 P-KN3, N-O-Q2; 9 B-N2, P-QR3; 10 O-O, R-B1. 11 B-Q2, Q-B2; 12 P-N3, P-QN4.

Evidently a prepared 'improvement', Black hopes to undermine the white KP and start counterplay.

13 P-P, Q-N3. Black's tactical point is that 14 N-B3, P-P; 15 N-KP allows

N-KP1 while if 14 Q-K3, N-N5, 14 Q-Q3, N-K4; 15 N-R4! Korchnoi's counter-point which Black probably missed. The white QNP becomes too strong.

15... Q-R2; 16 P-N6, Q-R1; 17 Q-K2, N-P; 18 KR-B1! Nominally, Black still has level material. Effectively, he is a rook and bishop down—the undeveloped K-side — and Korchnoi's simple exchanging policy soon prizes open the black king.

18... N-B4; 19 BxR, QxR; 20 N-KN, R-KN; 21 KR, P-P; 22 QxN, P-KN and Black resigned without waiting for a reply.

White's clearest win is 23 R-QB1, QxP; 24 R-B8 ch, K-Q2; 25 B-R5, P-B3; 26 R-B7 ch, K-K1; 27 Q-K4.

Karpov took a break from tournaments for several months before the 1978 title contest — and lacked match sharpness. This spring he has already played at Linares, is down to compete at Moscow next month, and was top board for the USSR first team in a recent quadrangular against USSR II, veteran GMs, and a youth team.

The last match was the one which mattered. It brought Karpov face to face with Kasparov, the 17-year-old who is already favourite to become the 1984 title challenger.

Opening with the careful Petroff Defence (1 P-K4, P-K4; 2 N-KB3, N-KB3), Karpov drew with difficulty, was well held by Kasparov in the return, and had to concede the top board prize to his young rival (Kasparov 4½, Karpov 3½).

Meanwhile Britain's two hopes for a chess world champion are still going well in the £2,500 BBC-2 Master Game tournament now in its closing stages. Nigel Short eliminated grandmasters Byrne, Gilgore and Hort; to reach the final (BBC-2, April 1). Tony Miles can join him if he wins next Wednesday (March 25).

POSITION No. 363

BLACK (7 men)



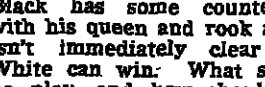
WHITE (8 men)



BLACK (3 men)



WHITE (5 men)



White mates in three moves, against any defence (by M. Dukic, Yugoslavia).

Solutions Page 12

BRIDGE

E. P. COTTER

THE CROSSRUFF is a very present help in trouble. It is sometimes forced upon the declarer because there is no side suit which can for certain provide the necessary tricks. My first hand shows what I mean:

N	K 10 9 2	E	J 5 3
W	A K 7 5	W	Q J 4 3
E	A 8 7 3	E	Q 2
W	Q 10 9 8 2	W	A 10 9 7 4 3
E	K J 8 6	E	K 9
W	Q 10 6 5	W	A 10 5
E	A Q 8 7	E	A 10 7 4
W	Q 6	E	A 7 3 2
E	A 10 9 7 4 3	E	A 4
W	K 9	E	

South dealt at game to North-South and had one diamond, North replied with one heart, and South rebid one spade. North now unmasked his batteries with three clubs. South rebid three diamonds, and North jumped to four spades. The opener showed his club King by saying five clubs, and North's six spades concluded an excellent bidding sequence.

When West led the heart ten, the declarer summed up the position. Assuming a 3-2 break of trumps, he could count nine tricks. Diamonds could be established if they broke 3-3 but that was against the odds; if they broke 4-2, entry problems would be insurmountable, so South decided to play on crossruff lines.

Dummy's Ace won the heart lead, the King was cashed, and the five was ruffed in hand. The club King and Ace were made — it is standard technique in such situations to cash the side suit winners before embarking on the crossruff — and the heart seven was ruffed with the eight of spades, the diamond Ace was cashed, and a low diamond was

ruffed with dummy's two, East producing the Queen.

The declarer returned the seven of clubs, ruffed with the trump Queen, and returned a diamond from hand. This he ruffed on the table with the spade King — an essential safety play. The last club was ruffed with the trump Ace, and another diamond was ruffed with the nine. This was overruffed by East but dummy's trump ten was good for the twelfth trick.

In the next deal the crossruff is used to aid Discovery:

W E

W E

W E

W E

W E

W E

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BOOKS

On the wing pre-war

BY DAVID PRYCE-JONES

Abroad: British Literary Travelling Between The Wars
by Paul Fussell. Oxford University Press, £8.95, 246 pages

"I never aspired to being a great traveller. I was simply a young man, typical of my age; we travelled as a matter of course. I rejoice that I went when the going was good." So Evelyn Waugh wrote, in 1948, in an introduction to selections from his travel books. The going certainly was good between the wars, and this is the subject of Paul Fussell's entertaining book. An American academic, he is mercifully free from jargon. His reading has been wide and unusual. The mistakes he makes about things English are not of the kind to shake confidence in him. Meanwhile he breaks new ground.

The First War had built up what Mr. Fussell calls I-Hate-It-Here feelings. To many with cosmopolitan tastes, England at war had come to seem cramped and miserable. Its food nasty and its climate not to be borne. Red-tape, including the requirement of a passport, had been imposed and with it came Angst and a simultaneous escapism urge to seek pleasure. If the chance to travel was not seized immediately, then the shades of the prison-house might well close once and for all. D. H. Lawrence and Norman Douglas, two of the most brilliant interpreters of foreign places in this period, were really more concerned with turning their backs on their own dreary and unwelcoming country than with travelling as

such. Mr. Fussell is a romantic at heart; when he looks at writers such as these, he sees free spirits rejecting an increasingly regimented society.

Circumstances happened to favour the bold. In practice, getting away and globe-trotting had never been easier than in the 1920s; it was the era of the great liners calling at ports everywhere. A publisher's advance, perhaps a generous £100 or so, would deliver anyone to his destination without hardship: for instance Auden and MacNeice to Iceland, Auden and Isherwood to China; Peter Fleming to Brazil and also to China; Waugh to Abyssinia or to British Guyana; Graham Greene to Liberia, later to Mexico.

To write a travel book was an ideal solution for a novelist or poet who did not want to finish one imaginative work only to have to start another the next day, in order to earn a living. He could have a break, perhaps indulge himself, and even gather material to be used later. Was there really enough to write about in England? It was all very well for a Waugh or an Orwell with the gift for social observation, but lesser talents soon became repetitive. Abroad they could release their powers of description on exotic places and characters—once again it was a question of being free. More frivolously, the sun was coming into its own; a tan had become more enviable than a white skin. Sex for the English, like gambling, had until then usually been conducted abroad, notably in the Mediterranean, which to the northern con-

jures up every sybaritic image.

Many of the travel-books of the period please Mr. Fussell precisely because they seem in a sub-category of memoirs, and even of fiction. Their authors had a way of dispensing themselves a licence to exaggerate, to become part of the turn, carrying the reader along with them by force of personality. All sorts of homilies, jokes, bits of autobiography, essays and lectures could be slipped in under the guise of doing some journey. Had Aldous Huxley or the Sitwells written their many travel-books as straightforward histories or cultural guides, Mr. Fussell observes, they would never have captured the wide audiences they had for first-person narratives woven around visits to actual sites.

Robert Byron is Mr. Fussell's "hero among travellers" in this period, on the grounds that he made the fullest use of the genre. This Etonian eccentric and Oxford aesthete, as opinionated as could be, was travelling to cut a dash and to exercise his curiosity and intelligence. He wrote about Mount Athos and its monasteries, about Russia and Tibet. Journeys in Persia and Afghanistan produce *The Road to Oxiana*, in which he brought together a novelist's flair for a scene, reportage, scholarly interests and personal quirks. This marvellous all-rounder (incidentally an anti-Nazi in Churchillian mould) was killed in the war. Perhaps Mr. Fussell's praise will lead to a reprinting of books which ought to be better known.

Summing up, Mr. Fussell thinks that these travel-books between the wars form a modern version of pastoral. The



Evelyn Waugh's drawing for his "Labels: A Mediterranean Journal." It is one of the works surveyed by Paul Fussell in a new study of British literary travellers reviewed today.

pleasurable open world they described is no more. Jet aircraft and inflation have made tourists of us all. Placelessness, to use his term of abuse, has taken over. Worst of all, politics have cordoned off some countries and debarred many others, and this time the shades of the prison-house really are closing. The challenges have been accepted nonetheless. Fitzroy Maclean's *Eastern Approaches* was published in freed Thesiger's *Arabian Sands*,

1949. Ten years later came Wilfred Owen's *War and the Language*. Within recent years Eric Newby, Gavin Maxwell, James (Jan) Morris, Lawrence Durrell, V. S. Naipaul and Shiva Naipaul, Patrick Leigh Fermor, Paul Theroux, Bruce Chatwin, have been among those continuing to travel as a matter of course. Even Mr. Fussell in all his elegiac pessimism could hardly ask for more by way of good writers and free spirits.

Bennett - 50 years on

BY PETER KEATING

Arnold Bennett: The Critical Heritage
edited by James Hepburn. Routledge and Kegan Paul, £18.50, 554 pages

On 29 October 1908 Arnold Bennett wrote to Frank Harris drawing his attention to *The Old Wives' Tale* which was just about to be published: "I really should like to know what you think of it—and its chances for 1908". That particular fifty-year target has long since passed and the chances of *The Old Wives' Tale* are still good, though the problem of how to place Bennett critically or even how to estimate the exact nature of his achievement remains as difficult as ever. Bennett died on 27 March 1931 and there could hardly be a more appropriate commemorative volume than this massive survey of his critical reputation during his own lifetime.

When an anonymous reviewer for the *Pall Mall Gazette* wrote in 1905 of Bennett's *Sacred and Profane Love*, "There is no doubt a market for such 'thrilling realism', but one would rather see it left to those who can not produce anything better", he was expressing a feeling that runs throughout Bennett criticism. Many authors have written books below their best, many have been tempted to knock-off an inferior book in an attempt to earn the kind of money that was not forthcoming from their more dedicated work. But Bennett falls into neither of these common categories. Bennett's case is peculiar to himself.

He seems to have believed that his enormous literary energy demanded constant and varied outlets as though it had a will of its own, and yet, at the same time, was firmly under his control. The unevenness of his work was therefore more a necessity than a worry to him. He could think in terms of writing a couple of "pot-boilers" one year to leave him time for a "masterpiece" the following year, without seeing anything incongruous in either the terms or the attitude. He was even capable of describing himself to his literary agent, J. B. Pinker, as "an engine for the production of fiction." His tendency to boast about the ease with which he could turn out popular novels reached its high, or perhaps low, point with his astonishing confession to a friend: "I believe I could fart sensational fiction now."

The remarkable thing is that

in much of this Bennett was right. He published altogether over one hundred books; they include "pocket philosophies", plays, travel sketches, short stories, and novels of various kinds. Some of this work is feeble, much of it is honourably competent, and some of it is very good indeed. Whether the very good might have been better still if so much energy had not been given to the rest is an unanswerable question. But it is certain that Bennett's much-vaunted literary facility seriously damaged his reputation. The best of his work has

fell away only slightly for *Hilda Lessways* (1911). Bennett then seemed to go into a period of decline—although he himself didn't see the situation this way—until *Riceyman Steps* (1923). The response of reviewers was summed up by J. B. Priestley in the *Spectator*. Pointing out that "we have thought of Mr. Bennett as a writer whose best work was over and done with long ago," he admitted, with a sense of genuine pleasure, that Bennett had proved them all wrong. Or, as James Douglas wrote in the *Sunday Express*: "Mr. Arnold Bennett has recreated himself by a colossal and tremendous effort of the imagination." The reception of *Lord Rainsby* (1926) and *Imperial Palace* (1930) was more controversial.

The present-day admirer of Bennett would be unlikely to disagree substantially with these judgments, though he might want to add some items to the list—literary criticism like *Fame and Fiction* (1901) perhaps, or the superb, precocious autobiography *The Truth About An Author* (1903). It is still widely believed that Bennett's reputation was killed off by Virginia Woolf's devastating attack in her essay "Mr. Bennett and Mrs. Brown," which is reprinted here along with more sympathetic assessments. But that view is an exaggeration. Woolf was right to refuse Bennett a place among the Modernists. He did belong to an earlier generation. His artistic allegiance was always to 19th-century French naturalism, and while he may have anglicised that tradition, he never broke away from it as Woolf, Lawrence and Joyce did.

Virginia Woolf was, however, terribly wrong to find in Bennett only heavy-handed materialism and stolid documentary realism. It takes more important qualities than those to survive as Bennett's best work undoubtedly has. Professor Hepburn argues that Bennett's work remains in print through popular demand not because it is constantly seen on university courses, and he suggests this would have pleased Bennett. Yet Bennett longed for artistic recognition as well as popularity—this is surely what he meant when he pondered the "chances" for *The Old Wives' Tale* in 1908—and he continues to achieve both. He would certainly have been delighted to know that in this, the half-century of his death, his chances look good for yet another 50 years.



Arnold Bennett: endless flow.

Our miner's daughter speaks

BY ISABEL GUILLY

The Magic Glass
by Anne Smith. Michael Joseph, £8.50, 174 pages

Godric
by Frederick Buechner. Chatto and Windus, £8.50, 178 pages

Lanark
by Alasdair Gray. Cannongate, £7.95, 560 pages

The Magic Glass is a first novel of enormous vitality and talent, praised by A. S. Byatt, Colin Wilson and Dame Rebecca West. Wilson compares its effect with that of *The White Peacock* and *Sons and Lovers*—high praise but to me a little askew, since one of the main things about it is that it is very funny indeed and that is something Lawrence never was or tried to be. It is a story of a miner's family in Scotland in the late 1940s and 1950s; particularly of Stella up to the age of 11 or so, and of her sisters—every one of them a "mistake" in the parents' tireless efforts to produce a son.

Stella, "with her legs blue in cotton ankle-socks, her thin, hand-drawn coat, piebald with dye, scuffed shoes, no hat or scarf, no mitts and a uddermark on her neck under the chin where she flashed the face-cloth round it, her hands grey

with a week's ingrained dirt, and her seething aggression, her awkward, inappropriate cleverness."

Is the most engaging fictional child at all sorts of levels. On the one hand she fits the jacket reproduction of Klee's tender "Child consecrated to suffering" on the other she has a rowdy inner life in which she chats defiantly with God or puts herself into magnificent cowboy situations. She is raucous and noisy, delicate and innocent, enormously responsive to kindness, to light, warmth, everything that is the opposite of the everyday dreariness of her life, and so responsive, above all, to the influence of books, without being the least bit like the usual bookish child of fiction.

Religion of the most gruesome because hypocritical sort plays a big part in her conditioning. "What was Jesus after all?" she thinks crossly and, in the circumstances, not surprisingly. "Who was he, a total foreigner in a white nightgown from a hot country and anyway he was dead."

This small masterpiece has caught two things supremely well, one the family's and one Stella's own: a way of life and a way of living, feeling, reacting; one enfolding the other, the two perfectly balanced.

Godric is a short, spare novel about an English saint whose last 60 years were spent in a hovel beside the river Wear, in which his brother drowned. It is the autobiographical ramblings of this centenarian born just before the Conquest, a marginal, sometime ribald commentary on the pious official biography being written by an admiring monk from Durham. Reginald, who takes *Godric's* insistence on his own sinfulness as proof of saintly humility.

From *Godric's* inner reverie we hear of him as thief and lecher, oppressor of the poor, pirate, lover of his own sister, killer, though unwitting of his own brother. Yet his wry, tender narrative is not at all a series of shocking revelations; rather a tale of the underside of goodness, the prelude years of a young manhood in a society full of violence, where piracy and pilgrimage went hand in hand, and the lord's steward who failed to tyrannise might be wiped out as fast as the bestially-treated small fry beneath him.

What it does with great skill is bring alive, in the anti-pious outpourings of an old man, not spent but aged well beyond convention, the precariousness of 11th- and 12th-century Europe: the cheapness of life, the depth of degradation possible

even at the highest social level. *Lanark* is an enormously complex book involving science fiction, futurology, prediction, nightmare, almost every sort of literary fantasy and (in the interstices) human relations. Much of it is straightforwardly realistic: a central section in which the Lanark who figures in the first and last parts is, in his realistic guise, living in Glasgow after the second world war and called Duncan Thaw. The nearest comparison I can make is with the (much more impressive) work of the Argentinian Ernesto Sábato, who in a not dissimilar way takes his realistic characters through immense subterranean journeys in time and space and experience, with a nightmare quality that suggests they may all be happening in one of those moments between dream and waking—the moment that is, or may be, eternity.

Ten years' work, 200,000 words, 40 chapters, an enormous number of explanations and footnotes, the author's detailed admission of borrowings and plagiarisms from Aeschylus and Zoroaster, influences barefaced and covert, a plot of great intricacy, large numbers of characters, fantasies that range from exotic diseases to nightmare bureaucracies, from dis-

cussions between the author and his characters to cannibalism: all these don't, in themselves, add up to an important work.

There are things of interest buried in the huge carapace—there could hardly fail to be—but the general result is tedious simply because (a) the writing isn't good enough and (b) the mind behind it isn't interesting enough. I don't deny its burning sincerity, passionate commitment, energy and ambition and breadth of literary poaching; but, though I may well be wrong, I doubt its talent.

Encounters with Uncle Ezra

BY DENIS GOACHER

Ezra Pound and his World
by Peter Ackroyd. Thames and Hudson, £5.95, 120 illustrations

Twenty-five years ago I sanctimoniously vowed never again to review a book I could not wholeheartedly praise: *Ezra Pound and his World* enables me to keep my word. Thirty-five years ago, I opened at random a book of Pound's (I think *Make It New*) and saw this glittering sentence: "Education is oasis of the soul." Ah, thought I, that is the man for me.

The Pound I knew had a good deal of humour, which Mr. Ackroyd does not stress quite enough. He said one day, "I know perfectly well what the British would have done to me, they would have shot me!" He presumably meant hanged, and of course he was right.

Ackroyd thinks that Pound "was incapable of introspection" but that was not so. Rather, he willfully stressed his extravert side (extravert, Mr. Ackroyd, not extrovert) because with all his American innocence and impatience he longed to construct a civilisation in his lifetime.

Rimbaud realised at 26 that his poetry could not change the world and was able to redirect his energies into other and more futile channels: Pound came to a similar conclusion at 75 and it broke him.

There were some bad gaps in EP's book knowledge: I realised he had never read *Foetus* when he asked me who the hell Euphorion was. Could the legend have warned him? I doubt it. I think a man should risk his life for his opinions. Pound paid a pretty stiff price for his foolish admiration of

Mussolini and Hitler while it must be remembered that none of those English and American notabilities who adulated champion murderer Stalin has paid any price at all. Solzhenitsyn ought to have something to say about that.

Pound thought he'd grasped how to set the world to rights, but so do some of the denizens of Hampstead and Canonbury Square and any group of undergraduates anywhere. One part of EP's intellect never outgrew that stage.

Until 1945 Ezra Pound led a very sheltered life, his awareness of men and their affairs was bounded by the drawing room, the cafe and the tennis court. He knew nothing whatsoever about women. He read far too many newspapers. The D.T.C. camp at Pisa shot the ordure out of him and revived his poetry.

In ancient Greek terms Pound's nemesis hunted him down to atone for his hubris. In old age Pound saw that, despairing and retired into morose and self-pity as old men (much more than old women) are wont to do. He realised that the root of human evil is not usury or credit finance but greed. Incidentally, Pound's devotion to Confucius had its farcical side: I've never known anyone less suited to the stiffness and conformity of the ideal Confucian state.

Pound's daughter would be horrified to find herself referred to as Maria—she loathes the Italian form of her name for some reason and Pound certainly always called her Mary.

As a guide and introduction this book deserves to occupy much the same position as Emdin Starke's biography of Rimbaud.

Uttering a loud lament

BY MATTHEW SYMONDS

Alas, Alas For England (What Went Wrong With Britain)
by Louis Heren. Hamish Hamilton, £7.95, 177 pages

There is something rather comforting about raking over

the embers of national decline—it produces the warm illusion of superior knowledge and understanding with the added blessing that nobody can blame you personally for letting the fire get so low.

Therein lies much of the

appeal of Louis Heren's, on the whole, pleasantly written lament for Britain. What is more, Mr. Heren, who has worked on *The Times* as man and boy, joining as a messenger, spending many years as a foreign correspondent and now as Deputy Editor of that newspaper, should be in a good position to tell us how and why we have made such a mess of things.

The book, which Mr. Heren insists on describing as an "enquiry," is essentially personal in tone and journalistic in character. It is a combination of narrative, reflection, and reminiscence interwoven with "conversations" between the author and an assortment of politicians, trade unionists and civil servants.

What Mr. Heren has to say is all perfectly sensible but utterly conventional. You begin to wish that he might go out on a limb with at least one judgment or opinion—that Sir Harold

Wilson is a profound thinker or Mrs. Thatcher deeply sensitive—but he never does.

When the author probes the structural deficiencies which have allegedly helped bring us to our present pass, he reaches equally unremarkable conclusions. Parliament should be reformed, we need proportional representation as an antidote to damaging adversary politics, the Civil Service ought to be made more accountable and, at some length, the "unions must put their house in order."

Mr. Heren may well be right about all these things and many people, including the Labour Party's dissident social democrats, will find themselves in considerable agreement with his conclusions.

The book is, however, redeemed to a great extent by the frank and reflective conversations between the author and, among others, Len Murray, Shirley Williams, Edward Heath, Harold Lever.

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HOW TO SPEND IT

by Lucia van der Post

Seen
this
week

I ONCE WORKED with a girl who, though not then married and certainly not pregnant, never wore anything but maternity clothes. She had done what all fashion editors are always counselling their would-be chic readers to do—to find their own style and stick to it. It certainly suited her a dream, allowing the eyes to focus on her flowing hair and mobile eyes, and encouraging them to glide gently over the less than fashionable lines below the neck. I never did discover her waist size.

I was reminded of her when I saw the new Lady Madonna Collection of maternity wear which is to be launched on Tuesday at Debenhams, Oxford Circus, London, W.1. The clothes are pretty enough to tempt the dimmest and most flat-chested to wear them and as for the truly pregnant—their reasonable prices, sensible designs and lovely colour sense will be a godsend. The collection was first launched 12 years ago in the United States by Rick Tiefer who designed a maternity wardrobe for his pregnant wife. It is now sold in 90 stores throughout the U.S.

The collection offers everything a pregnant woman needs—easy skirts, casual trousers, attractive crisp tops, safari jackets, even shorts and swimsuits. For those who want to go on playing their favourite sport for as long as possible, there are towelling tracksuits, tennis and squash dresses, all of which manage to look suitable as well as attractive. For the growing number of women who carry on working until shortly before the baby is born there is also a selection of "cuffed" outfits—smart jackets, nicely cut skirts and trousers.



Prices are extremely good starting at £12.50 for tops, £18.50 for jeans and pants, while dresses start at £24.50. The summer dress in our photograph, above, has tiny white floral motif against pale lavender, pink or blue. In 50 per cent polyester, 50 per

cent combed cotton, it is £38. The complete range will be available in other Debenhams stores later this year but the Oxford Street branch will handle mail order. Enquiries to Judy Davis, Lady Madonna, Debenhams, Oxford Street, London, W.1.

● They call it *lansonia ternaria*, shop for it in Pakistan and Iran, blend it like fine whisky and sell it for plastering on the head. The result is healthy-looking locks of enviable glossiness, for "it" is better known as the conditioning herb, henna. For those who'd like to know more about this hair treatment and have always been too scared to ask, now's the chance to get some expert advice on the matter. Down at the Ideal Home Exhibition at Olympia in London, Henna Hair Health, leading henna distributors, is offering free treatments on its stand. The show closes on April 4.

The offer has been so popular that there's now an appointment system—it's best to book as soon as you arrive at the show.

Henna Hair Health also has a useful Advice Centre at Classic House, 17/18 Old Street, London EC1 (Tel. 01-253 3352) where experts are happy to advise callers on every aspect of henna. They can either put you in touch with your nearest henna stylist (trained by them) or advise which blend of products you should use yourself to achieve the desired effect.

● The day of the made-to-measure suit is dying fast. In the last few years the hallowed acres of Saville Row have resounded to the cries of anguish from respectable establishments whose skills and services were being sought by fewer and fewer people. With a made-to-measure suit in Saville Row costing a minimum of £350 and, at H. Huntsman and Sons (the Royal Tailors), starting at £750, it is not surprising that in the last few years alone some 250 tailors have shut up shop altogether.

Anybody who still hankers after a suit hand-made in the old Saville Row tradition at an affordable price has a unique opportunity to buy one from Charles Stevens. Charles Stevens was in Saville Row for years but when the cold winds began to blow he set off for 53 Brick Lane, London, E.1, to offer the same service at much lower prices. He is about to give up the unequal struggle to make ends meet but in order to keep on his staff and use up his large stock of cloth he is offering made-to-measure two-piece suits at £165 a go. His selection of high-quality cloths is enormous, his skills have been attested to by many a citation. A hand-made suit may become an antique of the future so now is a chance to buy one—but he is closing down by the end of July, so hurry.

SPRING affects not only a young man's fancy but the cook's too. Thoughts turn to more advanced or dizzying heights—or just to something different. The would-be serious cook can embark on a diploma course, but short introductory or refresher stints are all most of us have the time—or the cash—for.

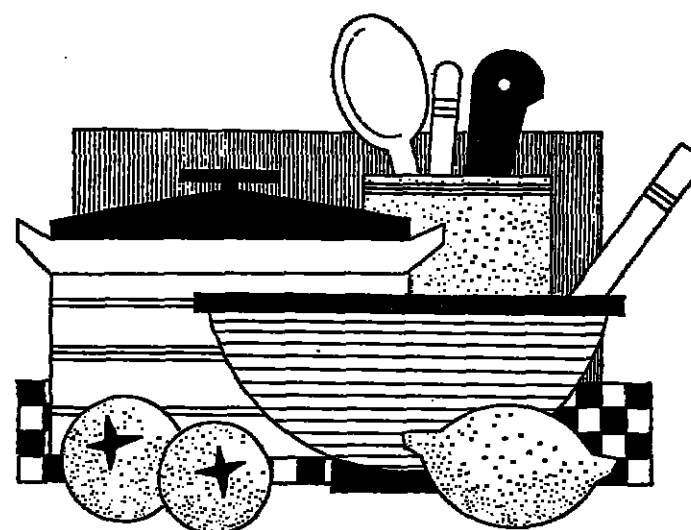
Most of the well-known trusted and tried cookery schools offer cooking both as a spectator and a participatory sport. Demonstrations and do-it-yourself courses can be found at the Cordon Bleu Cookery School, 114 Marylebone Lane, London W1 (Tel. 01-935 3503) and its sister school at Winkfield Place, Windsor, Berks (Tel. Winkfield Row 2031); at Leith's School of Food and Wine, 38a Notting Hill Gate, London W11 (Tel. 01-239 0177) and at the Tante Marie School of Cookery, Woodham House, Carlton Road, Woking, Surrey (Tel. Woking 4050). Write or ring for details.

There are other possibilities elsewhere. On the sit-back-and-watch front there's Lyn Hall's Le Théâtre de la Petite Cuisine at 50 Hill Rise, Richmond, Surrey (Tel. 01-840 7583/7771), which is an offshoot of her cookery school next door. The theatre seats 100 people. Hors d'oeuvres, shell-fish preparation and cake-icing feature on the current programme, with demonstrations by Mrs. Hall herself, a London hotel chef and Good Housekeeping's Margaret Coombes (tickets £5.25). In May, there's a dinner-party course of five three-hour sessions including a wine and food tasting. It caters for only 15 pupils at a time and costs £11.50 per person.

John Douglas's Cook School at 24a Albert Hall Mansions, London SW7 (Tel. 01-589 0185) has an evening Guys and Dolls class for all ages, on subjects like one-pot cooking or easy patés, with supper and drinks included, for £10. There are also afternoon classes which include lunch on inventive all-occasion menus and lessons on making the most of your Magimix.

Chenies Manor House in Buckinghamshire offers a day in a lovingly restored home where Henry VIII and Elizabeth I really did sleep. It has a priest's hole, four-poster beds galore and a physic (a herb garden) with plants for sale. On selected Tuesdays from May to Septem-

There comes a time in every cook's life when, no matter how skilled or knowledgeable, she (or he) could do with a little inspiration. Judy Whale has some ideas on how to set about it...

Back
to school

Pauline Rosenzweig

ber Maggie Black who is the cookery editor of the current Mrs. Beeton, presents cooking to match the house's history. Capital Radio's engaging chef-cook Michael Barry concentrates on *Mainly for Men* and there's a wholefood day too. Coffee, four-course lunch, tea and tour of the house and garden costs £13 (£20 for the gargantuan Men's Day). Enquiries to Mrs. Collins, Maple House, Linwood Heights, Chorley Wood, Herts. (Tel. Rickmansworth 76039).

At Endicott, Cadleigh, near Tiverton, Devon (Tel. Bickleigh 454), Richard and Judi Smith have renovated a Devon longhouse, which they live in themselves and open to guests. They run occasional wine and cooking weekends and plan more for the autumn. The wine weekends involve lectures and tastings, regional meals to go with the wines, and there are wine experts on hand. Cooking weekends, dealing with supper dishes as well as elaborate dinner-party fodder, follow the same pattern. Wine weekends are £95, and cooking weekends £47.50 plus drinks.

Those with a taste for protracted indulgence should try the Miller Howe Hotel, Winder-

mere, Cumbria (Tel. Windermere 2536). Overlooking the lake, it has won international acclaim for its ambience and food. The proprietor, John Tovey, enjoys wide acclaim as a demonstrator and has recently returned from wowing his culinary fans in South Africa. He runs Sunday to Thursday cookery courses in the spring and autumn. You stay in the hotel and in the dining-room taste the delicacies you are learning to make—from cheese and herb pâté through lamb cutlets with orange and ginger to wicked gâteaux and pies. A course costs £185—inclusive of everything but a service charge. This year's spring and most of the autumn courses are fully booked. Live in hope for next year.

If you're prepared to roll up your sleeves and pitch in yourself, Mrs. Laurence's Cookery Courses at the Old Manor House, Stawell, Bridgewater, Somerset (Tel. Chilton Polden 722190) may fit the bill. Janet Laurence comes from a family of keen cooks and lives in a Georgian country house. She was inspired to start her basic 4-day cookery course for students by a friend's teenage son who was keen to learn to cook but unable to find a suitable

course. Now there are weekend midweek courses on gourmet, Scandinavian and meat cooking at all levels. All-in living-in prices range from £57.50 for weekends to £97.50 for the students' July and September courses.

Cooks unwilling to leave their loved ones behind might consider Oakham, the public school in Rutland. For two weeks in July it provides *cordon bleu* cooking courses, concentrating on quickly prepared dinner-party food. There are also courses on crafts, theatre, games and sports for the rest of the family, who can then join you at lunch-time in testing the fruits of your morning's labours. Prices are: £35 to £45 per week for non-residents and £85-£115 a week for residents. Contact the secretary, Oakham Activity Holidays, Oakham School, Chapel Close, Oakham, Rutland (Tel. Oakham 3072).

If there's an affinity between food and music, Sonia Stevenson embodies it. A former violinist, she now devotes her talents to producing ambrosial fare at the Horn of Plenty Restaurant, Tamar View House, Guitwary, Tavistock, Devon (telephone Gunnislake 832 538). Other cooks beat a path to her door to sample venison pie, inspired fish dishes, intriguing first courses and delicate desserts. This year she's instituted four-day Courses for Sauces from now until Easter with two in the summer and more in the autumn. She takes only six students at a time and charges £245 each.

To console stay-at-home cooks, here's one of Mrs. Stevenson's versatile hot sauces. Use it as a gratin with lobster, chicken livers, ham or spinach; in croquettes, adding, say, ham, lobster or chicken livers to one part mashed potato and two parts sauce, or as a filling for *col-au-vent* cases.

Hot sauce

1 oz butter; 1 tsp. Dijon mustard; 2 chopped shallots; 2 oz grated cheese (cheddar or Gruyère or Parmesan); 4 tablespoons Vermouth; 1 oz plain flour; salt, pepper, nutmeg; 1 pint double or whipping cream. Sweat shallots in butter, add vermouth and reduce until butter reappears. Stir in flour, add cream and seasoning. Simmer for 20 minutes, add mustard and cheese and adjust liquid content with water if necessary.

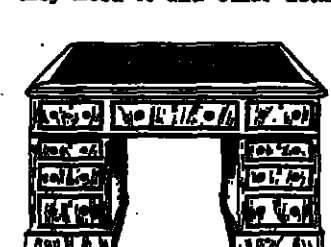
TO THE TRENDY children of London, N.W.1, the use of brightly coloured plastic containers for storing toys is nothing new—their design-conscious parents were onto it years ago. Now, however, for those who need a little pointing in the right direction, Addis, the manufacturer of all those useful little plastic items we all have to give house room to, has produced a plastic container so specifically designed for storage that even the least imaginative of us will be able to see its potential.

is an improvement on washing-up bowls primarily because they can be stacked properly by using simple snap-lock hinge devices. The racks can either be bought as a set of three (as in the sketch shown right) at £6.00 or individually at £2.20 each. The multi-store racks can, of course, be used to store what-

as Addis would have you be there is now an amazing range of bins to store the 18m tons of rubbish we dispose of each year. From the De-Luxe Pedal Bin at £8.80 to the Bigga Bin (the one with the extra-large capacity) at £10.50, there's something for everything, no matter how smelly.

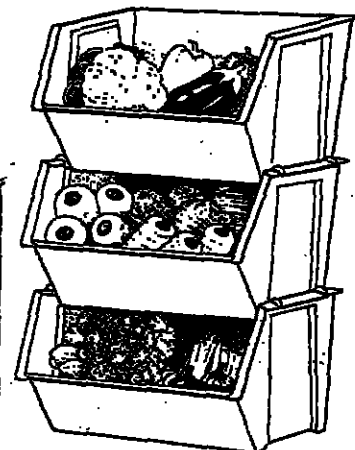
If you're interested in knowing what you then do with all this said rubbish, Addis suggests you send for a copy of "Directory of Waste Collections" prepared by the C.O.I. for the National Anti-Waste Programme, Freeport, Millbank Tower, London, SW1E 6BR. This will list all the various collections in your area run by organisations ranging from Friends of the Earth to the local scout group.

the size and condition of the desk, the fatty down-at-the-elbow can be collected on a Friday afternoon and be delivered back, completely renovated to the office on Monday morning. The desks are re-leathered in quality hide and hand-tooled with gold edging. The shop will also repair, repolish and generally improve the desk, with handles being replaced if they need it and other details



tended up. The service is carried out by the shop's own cabinet-makers and though primarily aimed at the office trade (with eyes on the whole of London and Oxford area) there is no reason why anybody with a run-down desk at home shouldn't get in touch with The Desk Shop, 41 St. Clements, Oxford OX4 4AG (Tel. Oxford 45524).

WHEN times are hard, the born survivor thinks of ways to ride the storm and keep afloat. An enterprising Oxford Shop that is normally busy selling desks of all sorts, has decided that times of recession demand special action and so it now offers a special service. For roughly £85, depending upon



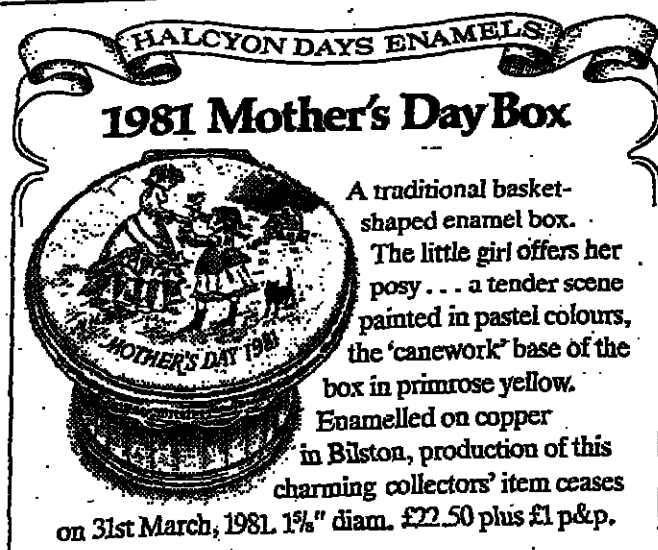
ever you fancy but I see them as being most suitable in kitchens (for fruit and vegetables), workshops or hobby rooms and, of course, in nurseries where their visual appeal and open-ended fronts make them ideal for children. The colours are sienna red, blue, beige, brown and avocado green and units can be built as high or low as you like.

Find them at main Tesco, Fine Fare and Asda shops. Besides the new storage containers Addis has been making determined efforts to make us all much tidier with our rubbish.

Ideally Addis would have us buy one container for milk bottle tops (which can be collected for Guide Dogs for the Blind), one for the ring pulls from cans (saved for buying kidney machines), another for storing glass (to go to the bottle bank) and yet another for paper (to go to the collecting station for recycling). Should you be quite as civic-minded



THERE seems to me to be two possible approaches to luggage—either that of the optimist who invests in quality and believes it will last or there's the approach of the pessimist who believes that airport carousels are no place for fine leather and who therefore buys on the cheap-and-disposable principle. For them, the chain stores are the place to buy and in main British Home Stores shops in April will be a range of luggage that though inexpensive looks good and is lightweight, yet strong. There are front pockets with proper buckles, strong brass zips, name tags, padlocks and stuffed feet. In grey with grey trim, blue with natural trim or camel with burgundy trim, there are three pieces—a large case (27 ins by 18½ ins by 8½ ins) at £10.99, a medium case (24 ins by 17 ins by 8½ ins) at £9.99 and a holdall (19½ ins by 13 ins by 5½ ins) at £5.99.



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ARTS

Traitors' camp

BY B. A. YOUNG

The important thing about Alfred Redl was that he was a traitor to his country. In writing about him, John Osborne has chosen to concentrate on his homosexuality, just as he told us about Luther's constipation, the causes being to him more interesting than the effects. A Patriot for Me, given a big-scale production on Radio 3 last Sunday, tells virtually nothing of how Redl became a traitor. We hear the Russian intelligence officer Oblensky assessing his qualifications; when Countess Delyanoff (another traitor) reports that Redl is unwilling to make love to her, he says "There's something in all this," homosexuality being much more secret than than now; but the secret agent business, now so fashionable, is dealt with quite shortly.

The play had to be given originally as a club production at the Royal Court, as the censor wouldn't license it for public performance. (In his notes in Radio Times, Mr. Osborne says it hasn't been done since; but unless I was dreaming, I saw it at Watford, with either Hinge or Brackett playing Redl at the gay ball, under his real name.)

ANTON GIB's radio adaptation was not much changed from the stage version, running for nearly three hours, and there was little cause for offence in it. A Patriot for Me is a psychological exploration into the mind of a man who exploited one weakness in order to indulge another.

At first, Osborne approaches the subject so cautiously that you might think the play was written in the period it covers, the end of the last century and the beginning of this. Redl acts as second to a fellow-cadet who is thought to be gay ("queer" has become "gay" in this version). He is friendly with a young waiter in a brothel, then falls to perform with his girl. He falls, in a most sensitive scene, with Countess Delyanoff too, who was recommended by his colonel. At a Prague café he smugs a pouf. When at last he goes to bed with a soldier, he sighs "Why did I wait so long?", but at once, like a moral judgment, "Four young soldiers come into the room and beat Captain Redl to a pulp"—an event covered on the air by a stage-direction cooly read by a narrator.

Yet from this point on Redl's sex-life is dealt with at what seems to me exaggerated length.

In the theatre, scenes like Baron von Epp's gay ball were carried by the spectacle; on the air all the camp talk, presented as if it were a novelty, not an everyday phenomenon even on radio and television, goes on with little real purpose. There is a quite extraneous scene with a boy-friend in a mental hospital; another of Redl rating a new boy-friend in bed for being too like a woman. We follow Redl along the path that inevitably leads to disgrace and suicide: yet we never quite learn what makes him tick. Repetition is not clarification. What I missed was the connection between the lechery and the treachery.

It made a good dramatic evening in John Tyden's and Anton Gill's production all the same, and would to my mind have made a better if Mr. Gill had been allowed to take half an hour out of it. Gary Bond played Redl with no concession to his sexual eccentricity, and showed an interesting ability to go on sounding solidly when making love, or rather not making love, with Countess Delyanoff, to whom Jill Bennett gave her most seductive tones. The oldest came out best—beautiful cameos by Robert Lang as Oblensky, Norman Rodway as Colonel von Mohl, Patrick Barr as General von Hütendorff.

Does the Beeb still have an Advisory Committee on Spoken English? I've lost my fight for the short o in opus, I know; I've had a 1000-word letter from Cormac Rigby, throwing dictionaries and the flat of Bernard Shaw at me. What concerns me now is kilometre. Perhaps one day Mr. Foot will take us out of Europe and we shall want kilometres after all. But if we have them, let us have them in the plural, not in the singular. No dictionary I know gives kilometre even as an alternative. It quite mistakes the derivation of the word.

Yet I constantly hear kilo-metre even from people who should know better. David Attenborough says kilo-metre. I suppose it began after the war, when the Beeb actually engaged people with regional accents to announce for them. Well, nothing wrong with regional accents, all lovely and democratic. But right accentuation has nothing to do with democracy. Now I hear people saying primarily and sonorous, even on Radio 3.

Milton Avery

Thomas Gibson deals, with considerable élan and quite as much success, in prime Modern Art; but though he makes no particular secret of the many good things that pass through his hands, only very rarely does he choose to put any of them on exhibition as such in his small gallery. From time to time, however, suitable opportunity presents itself, or perhaps temptation simply proves too strong: a small collection of crystalline, a significant group is assembled; and so up the stairs we must go to take a look.

Just such a group indeed is now on show (9a New Bond Street) until April 3, a most intriguing and seductive set of paintings made in the 1940s by Milton Avery, that most European in sensibility of American painters, and now made available by his widow, Sally. The genuflection towards Matisse especially, and to pre-war Paris in general, is unmistakable—the work simple and direct in its treatment, decorative in effect, civilised and delicately hedonistic; but Avery's own peculiar touch remains distinct nevertheless. The close, subtle tonality, the soft and often rather bleached palette, the ragged, somewhat scratchy drawing and the broad and deceptively informal composition, that together characterise



Checked Jacket, by Milton Avery, 1936

so much of the later work, as it grew larger, even simpler and ever lighter, in its handling and disposition, are already clearly in evidence.

Looking at these paintings, it seems surprising that Avery

only visited Europe once in his life, and some years after they were made at that. His work has always been popular here for its charm, and its modest authority.

WILLIAM PACKER

Unity

BY CHRIS DUNKLEY

Was Unity Mitford just a batty member of the English aristocracy, raised in an atmosphere of semi-fantasy who happened to get involved with Hitler by historical accident, never really understanding what Nazism meant? Or did she, on the contrary, make a bee-line for the "jumped-up postman" and deliberately offer the cachet of approval by part at least of the English county set, because she had a clear idea of his policies and heartily agreed with them? Was Unity Mitford culpable?

Last night's BBC2 play on the subject, Unity, written by John Mortimer from a book by David Pryor-Jones, seemed concerned only with posing the question, not with supplying an answer, which was disappointing. Yet, it laid out and illustrated the 45-year-old conundrum with a clarity that made the extraordinary affair utterly engrossing all over again.

Book historians and nit-pickers will, as usual, object that details were wrong, and director James Cellan Jones will be condemned for mixing genuine newsreel, showing Goebbels at a Nazi rally, with carefully matched film showing Lesley Anne Down playing Unity on the podium. Unity was there, all right, but it seemed that no film survives. Yet Mortimer, Cellan Jones and producer Louis Marks do have the age-old defence of all artists, that fiction can often get closer than fact can to truth, and the Mitford girl's presence and her leading of the Seig Heil at such a rally is an indispensable part of the story.

More impressive, however, was the telling of the background to the story, without flashback and without any of those embarrassingly phoney "Here is our rich, eccentric aunt" routines, wherein

characters tell one another what they must already know. When the writing, the direction and the acting all worked well simultaneously, Unity produced wonderful set pieces.

They ranged from the quiet scene, in which Lesley Anne Down, giving the best television performance of her career, conveyed to her fellow student the deeply snobbish and carelessly cruel attitudes—a sort of nursery Nazism—which emerged from the "Hons Cupboard" at her home, to the odd sinister party featuring Unity in silk pyjamas and SS cap, high-kicking to a wind-up gramophone.

Mortimer's very best lines, intriguingly, were all given to the only fictional character in the piece: Hilary Martin, the consul, beautifully played by James Villiers. His scene, thrusting dung into the rose-garden, was another of the play's quiet high points.

Stars shine on Manchester

BY MICHAEL COVENEY

At a time when the sky is falling in on so many theatrical operations up and down the country, it may have been a little unwise of the Palace Theatre in Manchester, which reopened on Wednesday night after a three-year closure, to choose as its advertising slogan "We're bringing the stars closer to you."

But, in the North West at least, the performing arts are enjoying something of a boom period. In Manchester, of course, the Royal Exchange has established itself as the leading prestige rep outside London. In the last financial year it received £330,000 from the Arts Council and a massive contribution, 24 per cent up on the previous year's figure, of £298,000 from the Greater Manchester Council.

It has cost £3m to reopen the Palace. Of this, nearly £1m has come from the public sector: £450,000 from the Arts Council, £350,000 from the City of Manchester, and £150,000 from the Greater Manchester Council. The theatre itself was bought by Raymond Slater on behalf of his own property and civil engineering company, Norwest Holst Ltd., and made available to the theatre trust. Mr. Slater has considerable interests in the waste land surrounding the site but is anxious at the moment to emphasise only the culturally philanthropic aspect of his contribution.

The outstanding £2m has been half-raised by private contributions, a public appeal and a vigorous campaign to sell exclusive membership of the Palace 100 Club, for which members get two seats every week for four years and access to a private bar. The remaining £1m is being financed by an interest-free loan from a consortium of local businessmen about whom it is impossible to learn anything apart from their supposed involvement with Mr. Slater.

The theatre itself is to be the Royal Opera's main base outside London. Covent Garden has not in fact played a major season in the provinces for 17 years, but this will be put right when the company follows the opening production of Jesus Christ Superstar into the Palace in May. They will take

four major productions at London prices (top price £23.50 for Otello) and have asked the Greater Manchester Council to support them. The GMC, understandably willing under the pressure of this request following the allocation to the more obviously deserving Royal Exchange, offered a paltry £5,000. Sir John Tooley, general director of the Opera House, was not delighted by this response and, after some bitter wrangling, the offer was upped to where it now stands, at £30,000.

The incident demonstrates the precarious position the Palace is likely to find itself in, for the quality of its programme depends on local public sector support to finance prestigious visitors. The danger is that, with the recession in full swing, the money will simply dry up. Still, the immediate future is hopeful. In June, the National Theatre is bringing two of its Olivier Theatre productions, one of which will probably be Amadeus starring Frank Finlay in the Paul Scofield role of Salieri. This will be followed by a two-week visit of the London revival of Oliver! the Glyndebourne Opera and the London Festival Ballet.

These companies will discover a majestic Edwardian auditorium of plush red seats, expensive carpeting and £50,000 worth of exquisite plaster decorations. The theatre first opened in 1891 but was completely rebuilt in 1913 by the great Edwardian architect Bertie Crewe. There is seating for 1,950 people. The Royal Box (where Prince Charles will sit for tomorrow night's Gala—expected to raise about £200,000 and featuring the Hallé Orchestra, 10CC, Lynsey Seymour's new rock band and Danny La Rue) looks splendid with its two attendant corridors. The bare have original marble work, stained glass windows and a good smoking-room atmosphere (though not enough ashtrays). The stairways and corridors have been painted in chocolate and cerise.

Even more welcome to the artists, I imagine, will be the new block of dressing rooms, excellently lit and equipped with good toilet and shower facilities. The stage has been deepened by 20 feet and the orchestra pit enlarged to provide a capacity for 110 musicians. The acoustics, sound marvellous (as far as one can tell from the amplified Super-

star production) and the house has a genuine intimacy, the gallery, (re-named: the Grand Tier) rising sharply to the roof but affording good sight lines all round.

The theatre, in the process of completing the computerisation of the Box Office, offers good discount rates for regular customers and may seat unsold three hours before curtain up will be on offer for £2.50. Links have been forged with the London Palladium and the grid of large-scale touring theatres in other major cities.

In a pre-show speech of ill advised tedium and length, Mr. Slater declared on Wednesday night that "our task is to provide quality and consistency of product." The stalls were packed with representatives of other theatres in the region, none of whom appeared to feel very threatened by this bland statement of intent.

Most theatre people up here agree that the opening of any new theatre creates interest in the arts at a time when people might begin to think twice before going out. Manchester itself has also the intimate University Theatre out on the Oxford Road, the Library Theatre and the Forum. All are doing well. Further afield there is the Bolton Octagon, chugging along under old-style actor manager, Wilfred Harrison.

But the big current success story is the Oldham Coliseum spectacularly revived under Kenneth Alan Taylor over the past two years. There have been sell-out seasons for plays by Mike Harding and the Labour MP, Joe Ashton. This very night Alan Bleasdale's first stage play in three years, Howling, is running. The coming financial year, Oldham is receiving £82,000 from the Arts Council (a 19.4 per cent increase), £42,000 from Oldham itself and £21,000 from the good old GMC. Bleasdale's play is set in a vascotomy clinic and any talk of cuts will not for once, be spitefully aimed at Sir Roy Shaw.

British theatrical life is no unthinkable without the Royal Exchange. If the North West audiences are capable of sustaining the glorious new Palace and the humbler but Coliseum, the beleaguered London managements could soon be requesting not just "product" but also hard, practical advice.

F.T. CROSSWORD PUZZLE No. 4525

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

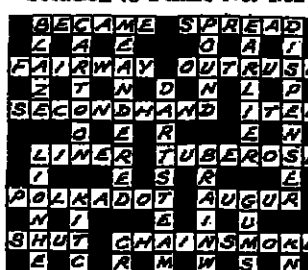
Name _____

Address _____

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

- ACROSS
- But dolls, too, can be treated here (4, 8)
 - Only their top drawers survived (7)
 - Crime of corrupt senator? (7)
 - Part of the st'ge used in "Pinafore"? (5)
 - Obsolete bowl—useless thing (4, 4)
 - Square-made disguise (10)
 - Support for Guy (4)
 - Gown worn by archbishop back to front (4)
 - Nothing in car petrol converts to solid fuel carrier (4, 6)
 - My strokes make a bowler look good (5, 5)
 - Orsino's amatory alimant? (5)
 - Distinguished surgeon's setback in theatre (7)
 - Players take a long time dressing (7)
 - It's feared by some drivers, hearts barely fluttering (12)
- DOWN
- Direction in which nurses advance? (7)
 - Foot about with puns—some medicine! (8)
 - Oven-roasted, not red (4)
 - False trade-plate found in the Lake District (10)
 - River of Harris, for example (5)
 - Spend extravagantly—that's the scourge abroad (4, 3)
 - War—monger of lesser degree? (5, 8)
 - Ephemeral chirper seen at Lord's (3, 3, 7)
 - Free photos developed—that's the first impression (5, 3)
 - Mahogany construction and Jock enjoys it (8)
 - Spa, but rising for the dipper (4, 3)
 - Willing to see cricket before tea-break (7)
 - Regulation about British currency in Moscow (5)
 - "Pop" group? (4)

Solution to Puzzle No. 1,324



TV/Radio

+ Indicates programme in black and white

BBC 1

- 8.05-8.30 am Open University (Ultra high frequency only). 9.05 Swim. 9.30 Multi-Coloured Swap Swap. 12.15 pm Weather. 12.15 Grandstand: Football Focus (12.20); Basketball (12.50); Racing from Cheltenham; Boxing (1.45, 2.10); Rugby Union (2.40); England v France and at 4.30 Scotland v Ireland from Murrayfield; 4.40 Final Score. 5.10 Doctor Who. 5.35 News. 5.45 Sport/Regional News. 5.55 The All New Pink Panther Show. 6.10 Jim'll Fix It. 6.45 The Little and Large Show. 7.20 Saturday Film: "Royal Flash," starring Malcolm McDowell. 9.00 Dallas. 9.50 News and Sport. 10.05 Parkinson. 11.10 "Persecution," starring Lana Turner.

All Regions as BBC 1 except as follows:

Cymru/Wales—5.45-5.50 pm Sports News Wales. 12.45 am News and Weather for Wales. Scotland—2.40-4.40 pm Rugby Union (opt-out from Grandstand); 4.55-5.10 Scoreboard (1); 5.45-5.50 Scoreboard (2); 12.45 am News and Weather. Northern Ireland—2.40-4.40 pm Rugby Union (opt-out from Grandstand); 2.40 Scotland v Ireland and at 4.30 England v France (recorded highlights). 4.55-5.10 Northern Ireland News. 12.45 am News and Weather for Northern Ireland. England—4.45-5.50 pm (South West only) Saturday Spotlight.

BBC 2

- 7.40 am-1.55 pm Open University. 12.45 Saturday Cinema (1) "George Washington Slept Here," starring Jack Benny. 4.15 Jon, Brian, Kirsti and 4.45 Saturday Cinema (2) "Tovarich," starring Claudette Colbert, Charles Boyer and Basil Rathbone. 6.30 Did You See... 7.05 News and Sport. 7.20 Rugby Special.

Solution and winners of Puzzle No. 4,519

Mrs. C. Hopkins, Pipers Dene, Southfields Road, Wokingham, Surrey.

Mrs. B. Peppin, 9, Southlake Court, Bodmin Road, Woodley, Reading, RG5 3SQ.

Ms. J. Nicholson, 29, Mamore cent, Fort William, Inver-shire.

LONDON

- 8.35 Bartok Centenary. 9.30 One Hundred Great Paintings. 9.40 Arena. 10.15 The Old Grey Whistle Test. 11.00 News on 2. 11.10 "Pandora's Box," starring Louise Brooks. 8.25 am Cartoon Time. 8.35 Sesame Street. 9.35 Chopper Squad. 10.30 Tiswas. 12.30 pm World of Sport. 12.35 On The Ball: 1.00 International Sports Special (Part 1)—Aerobics. 1.15 News; 1.20 The ITV Six from Newcastle and Lifford; 1.30 International Sports Special (Part 2) Women's Hockey: England v Wales from Wembley Stadium; 3.50 Half-time Soccer Round-Up; 4.00 Wrestling; 4.50 Results Service. 5.05 Punchlines. 5.40 Buck Rogers in the 25th Century. 6.35 3-2-1. 7.35 "Operation Cross Eagles," starring Richard Conte. 9.15 The Professionals. 10.15 The Big Match. 11.30 The Monte Carlo Show with Patrick Wayne, Kris Kristofferson and Stéphane Grappelli. 12.30 am Close: Personal choice with Johnny Morris.

All IBA Regions as London except at the following times:—

ANGLIA

- 9.30 am Cartoon Time. 9.45 The Last Unicorn. 10.10 Rocket Robin Hood. 10.30 pm Match of the Week. 11.30 Barney Miller. 12.00 Afloat. 12.30 am At the End of the Day.

ATV

- 8.10 am Simply Sewing. 9.35 As Good As New. 10.10 Saturday Cinema: "Baffled," starring Leonard Nimoy and Susan Hampshire in "Baffled." 10.30 Match Night. 11.35 Lou Grant. 12.30 am Celinea Valentine in Concert.

BORDER

- 3.10 am Simply Sewing. 9.35 As Good As New. 10.10 Saturday Cinema: "Baffled," starring Leonard Nimoy and Susan Hampshire in "Baffled." 10.30 Match Night. 11.35 Lou Grant. 12.30 am Celinea Valentine in Concert.

CHANNEL

- 5.42 pm Puffin's Pic(P)ice. 11.30 Quency.

GRAMPIAN

- 8.05 am Simply Sewing. 9.35 Sesame Street. 7.35 pm Feature Film: "Baffled," starring Leonard Nimoy and Susan Hampshire in "Baffled." 10.30 Match Night. 11.35 Lou Grant. 12.30 am Celinea Valentine in Concert.

GRANADA

- 9.15 am No Need to Shout. 9.40 As Good As New. 10.10 Saturday Cinema: "Baffled," starring Leonard Nimoy and Susan Hampshire in "Baffled." 10.30 Match Night. 11.35 Lou Grant. 12.30 am Celinea Valentine in Concert.

HITV

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

HITV/Cymru/Wales

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

SCOTTISH

- 9.10 am Simply Sewing. 9.35 As Good As New. 10.10 The New Fred and Barney Show. 10.30 News. 11.30 Scottish News. 11.35 Barretts. 11.40 News.

SOUTHERN

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

TYNE TEES

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

ULSTER

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

WESTWARD

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

YORKSHIRE

- 9.10 am As Good As New. 9.35 No Need to Shout. 10.10 The Undersea Adventures of Captain Nemo. 10.35 Sudamir. 12.30 pm HTV News. 6.30 HTV News. 7.35 "The Salzburg Concert," starring Barry Newman and Anne Karina. 11.20 HTV Sports Headlines. 11.30 News.

BBC Radio London

- 5.00 am As Radio 2. 7.30 News. 7.32 Good Friday. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 8.35 News. 8.40 News. 8.45 News. 8.50 News. 8.55 News. 9.00 News. 9.05 News. 9.10 News. 9.15 News. 9.20 News. 9.25 News. 9.30 News. 9.35 News. 9.40 News. 9.45 News. 9.50 News. 9.55 News. 10.00 News. 10.05 News. 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 News. 11.50 News. 11.55 News. 12.00 News. 12.05 News. 12.10 News. 12.15 News. 12.20 News. 12.25 News. 12.30 News. 12.35 News. 12.40 News. 12.45 News. 12.50 News. 12.55 News. 1.00 News. 1.05 News. 1.10 News. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News. 3.50 News. 3.55 News. 4.00 News. 4.05 News. 4.10 News. 4.15 News. 4.20 News. 4.25 News. 4.30 News. 4.35 News. 4.40 News. 4.45 News. 4.50 News. 4.55 News. 5.00 News. 5.05 News. 5.10 News. 5.15 News. 5.20 News. 5.25 News. 5.30 News. 5.35 News. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 8.35 News. 8.40 News. 8.45 News. 8.50 News. 8.55 News. 9.00 News. 9.05 News. 9.10 News. 9.15 News. 9.20 News. 9.25 News. 9.30 News. 9.35 News. 9.40 News. 9.45 News. 9.50 News. 9.55 News. 10.00 News. 10.05 News. 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 News. 11.50 News. 11.55 News. 12.00 News. 12.05 News. 12.10 News. 12.15 News. 12.20 News. 12.25 News. 12.30 News. 12.35 News. 12.40 News. 12.45 News. 12.50 News. 12.55 News. 1.00 News. 1.05 News. 1.10 News. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News. 3.50 News. 3.55 News. 4.00 News. 4.05 News. 4.10 News. 4.15 News. 4.20 News. 4.25 News. 4.30 News. 4.35 News. 4.40 News. 4.45 News. 4.50 News. 4.55 News. 5.00 News. 5.05 News. 5.10 News. 5.15 News. 5.20 News. 5.25 News. 5.30 News. 5.35 News. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 8.35 News. 8.40 News. 8.45 News. 8.50 News. 8.55 News. 9.00 News. 9.05 News. 9.10 News. 9.15 News. 9.20 News. 9.25 News. 9.30 News. 9.35 News. 9.40 News. 9.45 News. 9.50 News. 9.55 News. 10.00 News. 10.05 News. 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 News. 11.50 News. 11.55 News. 12.00 News. 12.05 News. 12.10 News. 12.15 News. 12.20 News. 12.25 News. 12.30 News. 12.35 News. 12.40 News. 12.45 News. 12.50 News. 12.55 News. 1.00 News. 1.05 News. 1.10 News. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News.

FINANCIAL TIMES

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Saturday March 21 1981

Questioning the arithmetic

AFTER LAST week's political controversies over the Budget, it has been the turn of the City's analysts to seek out the skeletons in the Chancellor's cupboard. Many believe they have found some rather dodgy arithmetic in the Treasury's calculations of next year's Public Sector Borrowing Requirement and some suspiciously wishful thinking about the post-Budget prospects for economic recovery. "A mangle combination of creative accounting and wishful thinking" was the headline of one leading broker's Budget comment.

Willpower

Estimates of the PSBR for 1981-82, which the Treasury put at £10.5bn, now range up to £14.25bn as the demand-determined computer models churn out their forecasts of what the Chancellor's tax increases will do to output and unemployment. With that sort of PSBR, it is argued, there will be little room for further cuts in interest rates, the upside potential in gilt-edged prices is distinctly limited and the long-awaited economic recovery is once again beyond the horizon. What looms more clearly on the horizon, however, is a flattening out, or even a rise, in the inflation rate and, worse still, the possibility of a collapse in the Government's political willpower.

The anxieties about inflation were not allowed to dampen the blip in the retail price index announced yesterday. While the annual rate of increase has fallen to 12.5 per cent, the six-month rate has risen for the first time since September, from 3.5 per cent to 4.2 per cent. Meanwhile the stockmarket's litany of industrial horrors continues with GKN's loss and the ICL rescue outweighing the few items of good news, such as the profits improvements at Cadbury Schweppes and BICC. The Government's willingness to bail out ICL, like its surrender to the miners last month, was being interpreted by some analysts as an act of greater symbolic significance than the tough Budget.

Equities

In spite of the gloom mongering, from many analysts, however, investors have been prepared to chase gilt-edged prices to their highest level since last November's mini-Budget. Even the equity index, for which a deflationary Budget might have been unambiguously bearish, was hovering around the 500 mark. This was the level it had reached in the run-up to what had been slated as "a Budget for industry."

Investors still seem to believe in the Government's ability and determination to carry through its strategy. Even more importantly they seem to

believe that the ultimate effect of the strategy will be to bring down inflation and to allow British companies to thrive and expand. As the strengthening of sterling in the past few days has shown, this belief is as widespread among investors abroad as it is at home and in spite of the setbacks and miscalculations of the past two years there are still good grounds for these beliefs.

There are two separate lines of criticism against the Treasury's Budget arithmetic which led to the forecast of a £10.5bn PSBR and, more importantly, to the implicit prediction that personal savings and corporate deficits would fall sharply in the next year, thus helping to sustain demand in the economy.

One criticism, which has some validity, is that some of the figures for public spending are incompatible with the forecasts of the likely rate of economic growth in the next few years. For example, it does not look as though the £2.5bn financial turnaround predicted for the nationalised industries by 1984 can be achieved without a much more rapid economic recovery than is expected.

Investment

However, if much of the over-run is due to a more restrained approach to pricing by the profitable public sector monopolies and to a higher level of capital spending, an error in the forecasting of this part of the PSBR should not be particularly alarming for the private corporate sector. Indeed a higher public sector deficit which was used to finance profitable investment would help to offset some of the financial strain being borne by the private corporate sector. Unlike an increase in current government spending, such a deficit would not necessarily aggravate inflationary expectations.

The second line of criticism, to which the Government's supporters can give an even better answer, argues that the Budget will fail because it will deflate the economy further and certainly delay the recovery at which the leading indicators are now hinting. The point which this argument misses is that deflation was not the Budget's objective and that a tight fiscal policy can help to promote a recovery if it leads to falling interest rates. It is obviously true that the Budget will fail if it serves only to prolong the recession; it will probably do so unless interest rates do come down. However, what is more important is that, for the first time in his tenure as Chancellor, Sir Geoffrey Howe has now created the conditions in which interest rates can safely be allowed to fall.

THE pay disputes in the civil service and the clearing banks highlight a new trend in Britain's labour relations—that some unions have opted to use the rapier rather than the bludgeon in their battles with employers.

Strikes by small groups of highly skilled white-collar staff in carefully selected key computer centres are designed to sever the vital administrative nervous system of an increasingly computer orientated society.

They mark the emergence of another relatively small group of workers whose industrial muscle is far greater than their numbers. Their weapon—the rapier—has thus joined the more traditional but more cumbersome bludgeon of the all out strike as practised in the past by manual workers and other groups.

There are two clear reasons why the power of computer and other senior control staff has been increasing.

● The growth in the number of white-collar workers, and in their level of unionisation.

● The centralisation of information and control systems—and therefore their vulnerability to industrial action—which the increasing use of computers has brought about.

The TUC now estimates that some 40 per cent of its current membership of about 11½m are white-collar workers, compared with 26 per cent in the mid-1960s.

This has led to more aggressive attitudes, and some high-technology companies and their white-collar staff are now more troublesome than their manual workforce.

This growth has coincided with the greatly increased use of computers across a wide range of industrial, commercial and administrative life. In central government, the num-

ber of administrative computers, which are the targets in the present Civil Service strikes, has risen from 103 in 1970 to some 224 currently installed or on order.

The increasing sophistication of the computers themselves has accelerated the unions' opportunity. In the banks, full details of 10m accounts over the last 15 years can be stored in a computer occupying the area of an average classroom.

Increasing sophistication has also resulted in fewer staff running the computers. This makes those staff who remain even more crucial. But, of course, it also reduces the number of management staff needed to operate computers during a stoppage.

It is generally very difficult for employers to mount effective contingency plans against computer strikes. The methods of information storage, such as magnetic or punched tape, or floppy discs, make it impossible

to handle records manually during a dispute.

Value Added Tax, for instance, was introduced as a completely computer-based system, and union officials say it is impossible to operate it in any other way.

Computers controlling the electricity and gas supply systems do have fail-safe mechanisms designed to counteract local failures in other areas, but it is doubtful whether such systems could deal with the effects of a carefully-mounted national strike.

The interlocking nature of many operations involving computers, such as the payment through the bank giro system of tax contributions, also raises the possibility now being enacted by the banking union of a sophisticated form of secondary blacking by computer staff, which the primary employer party to a dispute may find it difficult to avert.

Finally, the unions have seen

that computer strikes can be very damaging to employers. The Post Office withstood computer strikes for some time but the disarray left at the end was widespread and has taken a considerable time to put right. Even the short stoppages mounted by computer staff in the Midland Bank two years ago caused a backlog of work in the bank that took three days to clear.

The power of computer strikes to hit employers hard financially—though at an extremely low cost to the unions themselves—because of the small numbers of staff requiring strike pay—was brought home to union leaders when the Chancellor of the Exchequer admitted in November 1979 that one of the factors leading to a 3 per cent increase in Minimum Lending Rate was the rise in the public sector borrowing requirement caused by the strikes by computer staff in the Post Office and Civil Service.

Action by computer staff is not new—a strike by computer service engineering workers in 1984 affected the work of banks, motor companies, shops, Government statistics and local authority rate collections—but the two latest stoppages may well set a pattern for others to follow.

The attractiveness to unions of low cost, high-effective action is obvious. The first week of the present Civil Service strikes, involving then around 1,200 staff, cost them an estimated £150,000. The Government, instead of processing a normal £250m in VAT revenue, was able only to bank £48m because of strike action at the VAT computer centre. The nature of computer staff work, can also be an assistance to unions. Computer staff in the Civil Service and the banks, for example, tend to be less industrialised by the paternalism of those organisations. However, there are also prob-

lems for the unions in bringing out key computer and control room staff.

● Computer staff grow tired of being the minority fighting for the majority — of being the shock troops used to create the breach through which the rest will follow. Civil Service union strike planners, for example, had to put in a considerable amount of work with some staff who took action two years ago to persuade them to repeat it this time round.

● The unions generally have to enjoy the advantage of both a high level of penetration, and a bargaining unit diverse enough to encompass computer staff as well as the rest of the membership whom they would be used to fight for.

● Some staff, such as specialist engineering and control staff in electricity supply, are so aware that the consequences of total stoppages would be so appalling that their unions are forced into practising self-restraint.

As a result, incidence of strikes involving computer staff is low. Computer industry estimates put the number of cases of industrial action at less than 200 since 1974. And nearly 90 per cent of these involved data processing staff taking action as part of a wider dispute as opposed to pursuing their own sectional claims.

Management and some unions recognise that the advent of mini-computers and the increased use of microprocessor based equipment in ordinary offices will in the longer term reduce the necessity for the centralisation of computer installations, though because investment is tied up in present systems that may not be for some time to come.

The power of centrally-based computer staff to cause serious disruption at the cost to themselves may thus be reaching its peak—but as the Civil Service strikes are showing, that power at present is considerable.



Cause and effect: pickets outside a Ministry of Agriculture computer centre at Guildford in 1979 and the empty computer hall

How Britain's vital arteries are vulnerable

COMPUTER staff in a wide range of areas can give considerable financial muscle to relatively weak white-collar unions.

But computer operators and data processors are by no means the only white-collar staff who have the ability to sever vital operations. Strike action by Civil Service air traffic controllers two weeks ago halted most of the country's major airports.

Power engineers operating grid control centres and power stations have the ability to halt electricity supply, though it is virtually inconceivable that they would ever mount such action.

Oil and chemical processing is largely controlled by sophisticated operating rooms where disputes could result in the shutdown, for safety reasons, of processing plants.

Computer staff, however, are the only type of worker, who, as a group, can generally be used by unions as shock troops on behalf of wider groups of workers.

Those areas in which industrial action has been taken by computer staff, or in which they could cause the most widespread disruption are essentially in the public sector and in those private industries where centralised computers are vital for their whole business. They include:

● The Civil Service. The Government has at present 710 computers installed or on order, though of these 440 are used for scientific and technical research, and so are less crucial to immediate Government operations.

Two years ago, strikes in the Civil Service by computer staff caused considerable disruption, but this year the range of available targets has been widened because all nine civil service unions are involved.

The Government acknowledges that most of its payments to contractors depend on computers and several companies which depend heavily on Government contracts are already concerned about their

cash flow.

Apart from the VAT computer, most of the work of the Department of National Savings (including premium bonds) and the Land Registry (operating domestic conveyancing searches) depends on computers, as do the Department of the Environment's rate support grant calculations.

The distribution and supply of defence stores, equipment and spares are computer-controlled, as are driver and vehicle license records and some police information. The provision of most Government statistics depends on computers, and, crucially for the present strikes, the banking of many of the Inland Revenue's large payments of Pay As You Earn and national insurance contributions.

● The Post Office. The Civil Service unions also represent key computer workers in the Post Office, dating back to the time when the PO was part of the Civil Service. Post Office computer staff have taken bouts

of industrial action since the early 1970s, but strikes in 1979 caused what has been perhaps the most damaging disruption so far of any action by computer staff.

At one point arrears on telephone bills, which were halted when the computers were stopped, reached £1bn. And it took more than six months to clear them despite attempts by the Post Office to collect some payments by hand.

● The banks are dependent on computers in at least five key areas.

Customer accounts are tabulated and information is stored at main computer centres. Eight million cheques are exchanged each day with the help of computers.

Disruption in these main computer centres need not necessarily halt the cheque clearing system and can be designed to specifically avoid this. But it creates a backlog of information. Cheque clearing, which last year handled 1.5bn cheques

through London operates separately from accounts updating. Computers play a part in the operating of the sorting machines, however, and sorting staff in some banks are classed as computer-related personnel. Cash dispensing machines are also regulated from the main computer centres.

The Bank's Automated Clearing Services, owned by the banks and operated from Edgware, London, controls all standing orders and direct debits on individual customer accounts.

Finally, the Joint Credit Card Company at Southend, which is run by all the clearers except Barclays, controls Access operations, and all the issues of cards, counts what users are spending and bills them accordingly.

● Local Government. Most rate demands received next month by companies and householders will have been sent out by local authority computers. Their vulnerability to action was proven last year, when the National and Local Government

Officers' Association took strike action over pay.

Its effectiveness was underlined by the speed with which the issue of computer-processed rate demands were halted: within 48 hours of the action being announced by the union, almost all rate demands were stopped.

● Gas supply. Matching supply to demand in the national gas transmission system is effectively controlled by one national computer centre and 12 regional centres regulating supply within their own territories.

Through this system passes 5,000m cubic feet of gas per day. The British Gas Corporation believes that very senior managers could keep the system operating if unionised computer and operating staff, almost all of them in NALGO, stopped work.

Big industrial consumers on special interruptible contracts would have their supplies cut off first. Other industrial users would then be taken out as the next step.

Letters to the Editor

Lloyd's

From Mr. J. Dawson.

Sir—The Association of External Members of Lloyd's and its chairperson seem to have parted company with reality, in seeking protection from nameless abuses from inside Lloyd's. The original idea of "outside" names as opposed to the main body of those underwriters and brokers in daily attendance in the underwriting rooms was "working names" and "non-working names". The words were changed since there was an implication of plundering without effort by property-owning members, who never came near the City.

Those of us who have been (and still are) in daily attendance in the underwriting room many years, resent the implication that our efforts to generate business abroad and to provide a stable insurance market, can lead to abuses of the kind that Lady Middleton imagines are rife. Many of us have suffered financial loss through "open years" and bad underwriting years, and paid our losses without demur, whatever the causes. We could have formed associations such as Scottish Members of Lloyd's, or an association to protect brokers from underwriters, or vice versa. In fact the great majority of "working" names have been content to accept the wise councils of our committee, when we felt abused or unfairly treated and speaking from personal experience over 40 years, this thoroughly reasonable and common-sense system has led to stability and a democratic organisation, where brains and flair are recognised from whatever humble sources.

The association's deliberations over the Bill have been bereft of any mention of "insurance", which is an omission that makes the controversy quite unreal. When a syndicate "went under" some years ago, leading to a meeting of names, one underwriter pleaded with Sir Walter Barrie, the then chairman, to make certain that such

a disaster should never be allowed to occur again. His commendably brief and common sense reply was: "Mr. Secretan, you cannot legislate against fraud."

Lady Middleton and her small band of discontented names would do well to ponder on such a sound statement, and rest content that they are fed profits by zealous and hard-working people in Lloyd's, many of whom try to enhance the reputation of Lloyd's abroad, which is presently being denigrated for quite the wrong reasons.

James Dawson.
Little Stonehall,
Newton Green,
Tunbridge Wells, Kent.

Members

From Mr. M. Harvey.

Sir—If Mr. John Follows (March 18) fully describes the aims and activities of Lady Middleton and her colleagues, why was it necessary to form an association with such a misleading title: why do they not refer to themselves simply as a small group of newly joined members of Lloyd's who chose the wrong agents and got caught with their audits down?

M. C. R. Harvey.
95, Barrington Road, W4.

Voices

From Mr. N. Parker.

Sir—The letter appearing (March 14) about the recent extraordinary general meeting of the Association of External Members of Lloyd's signed by Messrs. Nesbitt, Rew, Sturge, Taylor, and Whitten cannot be allowed to go unchallenged. Their contention that "Lady Middleton and her small committee have now demonstrated that they have the support of some 50 members of Lloyd's out of 150 who attended the meeting (only some 80 voted on the questions in issue)" is misleading.

Before the meeting was opened all present were made aware of the fact that someone had "packed" the meeting with non-members of the association. Lady Middleton's refusal

allow these people to vote (hence the difference in numbers between those present and those voting) made it immediately obvious that neither she nor any of her supporters was responsible for these invitations.

Since the meeting, however, I have spoken to one non-member who received an invitation to attend and solicitation of proxy in the names of Nesbitt, Rew, Sturge, Taylor, and Whitten! N. Parker.
56, Curzon Street, W1.

Bottles

From Mr. W. C. F. Butler.

Sir—The examples you printed on March 12 of the approximate direct effects of changes in duty rates on the prices of table wine and sherry were misleading and may enable the trade to establish unnecessarily high new prices. Most table wine and sherry (at least at the cheaper end of the market) is now sold in 70 cl bottles, on which the effect of the changes in duty, after addition of VAT, is 11.09p for table wine and 23.32p for sherry. The figures you quoted, 12p and 25p, are 8 per cent and 7 per cent respectively above those required by the change of duty and were doubtless calculated for 75 cl bottles now, alas, seldom encountered.

W. C. F. Butler.
70 Valley Road,
Weylyn Garden City,
Herts.

Demand

From the Deputy Director Aims of Industry.

Sir—Mr. F. T. Blackaby (March 17) questions your use of the term "demand" in your editorial on the Budget. I understood that the term only had meaning when construed as "demand at a price". Thus the businessmen responding to the CBI survey, cited by Mr. Blackaby, cannot sell their goods because these are not "demanded" at the

any conflict between imports falling faster than final demand while at the same time displacing some home-produced manufactured goods from the UK market. (Oil exports prevented a trade gap.)

In short, if effective demand is to expand economic activity, the price of production cannot be ignored.

When Keynes advocated increasing demand as a remedy for unemployment, we were in a situation of falling or stable prices. At the same time he stressed the need for stable wages, with divergences only to encourage people to move from declining to expanding industries. Neither of these two conditions have obtained in this country for many years.

There is still plenty of room for argument over the balance of the Budget strategy, but not over the prime need to bring down inflation further.

Malcolm Hoppe,
40, Doughty Street, WC1

Cosseted

From the Managing Director, Forrat Machinery.

Sir—I wonder how much more help British industry expects to receive from the Chancellor. Industry is supposed to be the motor of an industrial society not the trailer. British industry has suffered from too much help and indeed interference from successive governments since the war. It astounds me to hear the CBI and the TUC complain that the Chancellor has not done enough for industry. Compared with our immediate neighbour West Germany, UK companies live in a cosseted paradise. What British manufacturers pay a minimum of 17 per cent social security cost on wages; pay 13 months salary for 12 months' work; pay 6 weeks per annum sick pay and six weeks per annum holiday pay for the average employee, and pays him or her more than we do anyway? What British company can only write capital expenditure off over five years against 100 per cent in the first

year? The average industrial corporation tax in the UK is about 22 per cent. If UK companies cannot use their capital resources better, they ought to lose some of their privileges.

British industry has enough incentive to invest, but often does not. If it did and, at the same time, used such investments more intensively to produce better designed products more cheaply, they might be able to push back the tide of imports and revive themselves. R. J. M. Farrell.
Balmoral Road,
Altrincham,
Cheshire.

Pensions

From the Managing Director, Godwin's.

Sir—I share the dream—described by the Scott Committee as "a highly desirable social objective"—that the living standards of pensioners should be protected against inflation.

The forthcoming issue by Government of indexed bonds is being heralded as the solution to the problem although the Scott Committee made clear that even with such bonds the private sector would be unable to guarantee inflation-proofing. I read in Lex (March 16) that "There is now a way... for funds to match liabilities incurred by the inflation-proofing of pensions in payment."

Alas, this simply is not so but many employers will now find themselves under pressure from the mistaken belief that it is. It may well be that repeated issues of indexed bonds with a spectrum of redemption dates could lead to an environment where matching of pensioner liabilities was possible. This in turn could eliminate the uncertainty associated with inflation proofing but not its cost. There is, I fear, a further mistaken belief that this new investment concept enables greatly improved benefits to be provided at no extra cost.

Today, however, with only one bond on offer, not even the uncertainty can be removed. Pensioner liabilities extend beyond the initial 15 year term of the

bond and in addition to this "mis-match" there is no guarantee that the market price of the bond during its term will itself move in line with inflation.

I strongly support all responsible measures that can be taken to alleviate the hardship suffered by pensioners in an inflationary era. Continued pressure, however, fanned by mistaken beliefs could place employers in an untenable position. Either they respond to pressure and grant benefits they may not be able to afford or they withhold the benefits at the expense of appearing unreasonable in the eyes of their employees.

The only hope is a better understanding by all parties of the issues involved. David J. D. McLeish,
Fleet House,
Victoria Road,
Farnborough, Hants.

Aircraft

From the Divisional Officer, Association of Scientific, Technical and Managerial Staffs.

Sir—Your report (March 13) states that the American AV-8B replacement for existing RAF Harriers would be cheaper than the British Aerospace Mark 5 version. The purchase cost difference between the two planes is in fact marginal. What about the cost in use?

The problem with an AV-8B is that Britain will be importing its own advanced aerospace technology. The design lead for V/STOL will be with McDonnell Douglas, Britain's involvement being as a junior partner.

Design is critical to aircraft production. Will the Government do anything to assist BAE's position regarding the development of a supersonic V/STOL aircraft?

Is not vertical short take off and landing a major future development for aviation, civil and military?

Digby Jacks.
Anabelle House,
28 Straines Road,
Hounslow, Middx.

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European airlines are divided about whether to drop first-class travel. Michael Donne explains the background

The class war on Europe's air routes

THIS SPRING Air France and British Airways are spearheading something akin to a revolution on many European air routes.

From next Sunday, the day when the summer season begins, the two airlines will greatly increase the number of European routes on which they offer cheap fares and their new Club and Tourist classes. Several other European airlines will follow with a range of new "cheap fare" offers.

The decision of the two airlines to end first-class travel within Europe and to promote cheap fares is part of a wider marketing battle which is now in full swing. Magazines and newspapers across the Continent are full of advertisements for the "new deals" that the world's airlines claim to be offering, both in Europe and on longer-haul flights. (This war took another twist yesterday afternoon when the major transatlantic airlines cancelled increases in cheap fares which they had announced only a few days ago.)

But some major European airlines, notably Lufthansa and Swissair, have no intention of abandoning first-class within Europe. "Many travellers regard the amenities of first-class as just as important on European flights as on intercontinental ones," says Mr. Frank Beckmann, senior vice-president of Lufthansa.

British Airways and Air France hope that their move on short routes, painfully fought through the fares bargaining sessions of the International Air Transport Association, will help to improve air traffic throughout Europe at a time of deep recession.

But the move is likely also to aggravate the frustrations of the major UK independent airlines, British Caledonian and Laker Airways, which have



Outside Europe, airlines are moving to upgrade their first-class service and to introduce a new intermediate class with two-abreast seating and other small advantages. TWA led off with "Ambassador Class" and Pan American followed with "Clipper." BA now plans "Super Club" class. Sleeper seats are also more and more common on very long-distance flights.

been unsuccessfully trying for some time to win foreign government approval for their brands of new cheap air services linking Britain to the Continent.

There seems little doubt that the two-class approach, as conceived by British Airways and Air France, is already working well. British Airways says that in 1980-81 on London-Paris it carried 18,000 more passengers than it did in 1979-80 (a 21 per cent rise) and earned £1m more revenue. Air France says it carried more than 150,000 passengers in its new Club Class, against only 55,000 who flew first-class in 1979 and that its overall London-Paris traffic is up by 3.4 per cent.

The new approach means the abolition of first-class on short-haul routes which both airlines say has become outmoded (only three out of every

1,000 BA short-haul passengers using it). In its place, the front end of the cabin is Club Class, with a smaller seat (32 inches between one seat and the next, against 36 inches in the old first-class), although free drinks, newspapers and meals are retained. At the back end, the seating is also 32 inches, but there is no service on London-Paris (passengers can buy food and drink to take on board if they wish), while on other routes, there will be free coffee but only a minimal refreshment service, varying according to the route.

The Club Class passengers pay less than first-class, but about 3 to 5 per cent more than the original economy-class rate. The Tourist Class passengers pay a new, cheaper rate, variously called either "Eurobudget" or "Excursion" or "Vacances" depending on the period of

travel. Fares on short-haul routes are going up from March 29 by about 8 per cent to meet soaring fuel costs and other inflationary factors, and this must be offset against the new, cheaper rates that BA and Air France are introducing.

The expansion in the two-class concept this spring is nevertheless something of a triumph for British Airways and Air France. The two flag airlines have battled hard to win acceptance of the scheme they pioneered last spring, but did not meet with much success until KLM joined in on the London-Amsterdam route last November.

Then, in February, after a bitter fight in the Geneva fare-fixing meeting of IATA, they achieved a breakthrough—many airlines, while still dubious, agreed to let them extend the system to other routes, and

some tentatively agreed to follow suit with cheap fare schemes of their own, even though, unlike BA and Air France, they did not restructure their aircraft cabins.

As a result, this spring, such airlines as Aer Lingus, Air Malta, KLM, Finnair and Olympic will introduce the Club/Tourist concept on their routes to and from London. Alitalia will wait until next winter at the earliest, and this summer will be retaining first-class and economy, but will also introduce its own brand of cheaper "Pex" fares on routes from Rome to Switzerland, Belgium, Portugal, Greece, Austria and France. These will be about half the normal economy rates, with various booking conditions, such as including a Sunday in the stay at destination, Finnair, in addition to offering Club/Tourist,

will retain first-class. Scandinavian Airlines System will bring in Club/Tourist next October 1.

Many other airlines are still making up their minds. But those who have already made it clear that they have no intention of abolishing first-class include Austrian, Aeroflot, Iberia and Sabena, as well as Lufthansa and Swissair.

The German and Swiss carriers are retaining first-class because they say, the demand is still there.

Swissair also says it is making a profit on first-class. Because it feels that this type of service is in tune with its image of a high-quality airline, it has no intention of dropping it.

Meanwhile, within the British market BA's new approach is stirring some feelings of bitterness among the major British independent airlines, who have been battered at both the UK and Continental governments' doors for years for cheap-fare flights of their own.

British Caledonian already has UK rights to operate from Gatwick to Cologne/Bonn, Hanover, Hamburg, Helsinki, Stuttgart and Vienna, but cannot get the reciprocal foreign government approvals to start flying. Even where it does fly to the Continent—to Amsterdam, Brussels and Paris—it is obliged to charge the normal international rates because the overseas governments will not permit it to charge the much lower "Mini-Prix" rates it wants to introduce.

Furthermore, British Caledonian has applications for routes to 16 other Continental cities outstanding with the UK Civil Aviation Authority.

Laker Airways, which also had its plans for a wide network of scheduled Skytrain type low-fare, no reservations, flights throughout the Continent turned down by the CAA and

FARES ON BA EUROPEAN ROUTES

(Return rates from March 29)

Route	Excursion*	Club Class	Eurobudget	Economy
London to				
Amsterdam	£44.50	£122	£104	£122
Athens	£44.50	£443	£402	£443
Barcelona	£152	£243	£202	£227
Brussels	£63	£127	£108	£121
Copenhagen	£115	£257	£221.50	£245
Frankfurt	£83	£167	£145	£158
Geneva	£59	£201	£171	£191
Paris	£53	£125	£98	—
Rome	£123	£328	£277	£310

* Subject to various conditions, such as times and days of flight, stay limits, and arrangements for refunds in event of cancellation.

WHERE CLUB/TOURIST WILL APPLY

BRITISH AIRWAYS (LONDON HEATHROW OR GATWICK) TO:
Amsterdam, Athens, Basel, Bologna, Berlin, Bordeaux, Bremen, Brussels, Cologne, Copenhagen, Cork, Dublin, Düsseldorf, Faro, Frankfurt, Geneva, Gothenburg, Hamburg, Hanover, Helsinki, Istanbul, Lisbon, Luxembourg, Lyons, Malta, Marseille, Milan, Munich, Naples, Nice, Oporto, Oslo, Pisa, Prague, Rome, Salonika, Shannon, Stewanger, Stockholm, Stuttgart, Turin, Venice, Warsaw, Zagreb and Zurich. (So far no agreement on Spanish routes.)

AIR FRANCE (PARIS) TO:
Manchester, Amsterdam, Athens, Belgrade, Berlin, Bucharest, Copenhagen, Düsseldorf, Frankfurt, Geneva, Gothenburg, Hamburg, Helsinki, Istanbul, Lisbon, London, Lyons, Milan, Marseille, Nice, Oporto, Oslo, Rome, Salzburg, Stockholm, Vienna, Warsaw, Zagreb, Zurich. (From London to Paris, Nice, Marseille and Toulouse.)

the Department of Trade, has not yet decided what it will do.

But the possibility of legal action by Laker, either against the UK Government in the domestic courts or through the European Court, cannot be ruled out.

In the meantime, British Airways—and the Department of Trade—believe that their own "gradualist" approach adopted over the past few months is paying off. Their attitude is that this method of patient negotiation towards a progressive liberalisation of European air transport will pay dividends more quickly than the frontal assault adopted by Laker. However, British Caledonian has adopted a similar line to BA, and has yet to see its patience

rewarded.

The problem lies not so much with the UK Government, however, as with the Continental governments, none of whom is anxious to see two British flag airlines on any major route with only one reciprocal foreign airline involved. The significance of the new extension of the two-class Club/Tourist approach, therefore, lies in its being able to prove on a wider basis that cheaper fares will tap new markets. BA and Air France believe that it will. The foreign airlines are prepared to wait and see.

What is clear, however, is that it is some advance on anything that has gone before, and for that, at least, the passengers should be grateful.

Weekend Brief

Back to the 1950s 'beat' poets

The generation of beat poets and jazz musicians of the 1950s is returning to Hampstead next month with a jazz/poetry session led by Michael Horowitz, Heathcote Williams and Christopher Logue. Horowitz was in London this week to promote the gathering and managed to complain about the Budget, the Arts Council and the general state of the planet.

A close friend of Allen Ginsberg's and other fading rebels, Horowitz abandoned a research dissertation at Oxford in 1959 to found the magazine "New Departures." Drawing upon the works of friends Samuel Beckett, William Burroughs and Gregory Corso, he developed in the early 1960s a publication which The Times Literary Supplement once called "the most substantial avant-garde magazine in Britain."

Now, after nearly six years of insolvency, the magazine is to be re-launched with an issue which includes John Lennon, George Harrison, another former Beatle, and Jeff Nuttall, beat poet and "sculptor of words." Horowitz has a way of gathering these disparate souls together and revels in a public session with them.

After more than a decade of his "mixed media shows" in which poetry and music are interpreted, Horowitz recently arranged "Poetry Olympics" at Poets' Corner in Westminster Abbey.



Detail from David Hockney's sketch of Michael Horowitz

Poets like Ted Hughes and Gregory Corso filled Poets' Corner to "bring poetry back to the people" according to organiser Horowitz. From Westminster Abbey Horowitz next brought his act to the Ronnie Scott jazz emporium in Soho. There, he "jammed" with Stan Tracey. Horowitz, who believes his mission in life is to bring back the tradition of the old English troubadour, sometimes sings, sometimes plays the "Anglo-saxophone" and always appears scruffy and charming. He sees himself as a victim of Oxbridge and his study of William Blake. "I was miseducated into an overintellectual

view of literature," he protests. "Ginsberg and Beckett have helped me to readjust." The Horowitz show, complete with the "World's Best Jamming Band," is to appear in the Three Horseshoes pub in Hampstead on April 13. The date was selected because "New Departures" will be publishing issue 13. Meanwhile, Horowitz is lamenting the passing of the "halcyon days" of the mid-1960s when he could fill the Albert Hall with connoisseurs of "beat." But the beat generation has now grown up and is alive and well and living in Hampstead.

had already voted 3-1 in favour of boycotting next week's session—they would be deemed to be on strike.

Since then the Bureau has set up a negotiating committee to talk to leaders of the two staff unions, but although the Bureau's tone has been conciliatory, it is adamant that all the meetings will be held in Strasbourg, despite an earlier promise—the staff claims—that all extraordinary sessions would be in Luxembourg.

Although the extra cost of moving the Parliament's machinery to Strasbourg is about £280,000 a session, it is not difficult to understand why the members (MEPs) are happy to go along with the Bureau which is composed of representative MEPs and senior officials. In an attempt to make his town the permanent home of the Parliament, Mayor Fimlin of Strasbourg has spared no expense or effort to lavish every comfort and convenience on the grateful MEPs.

What has probably finally tipped the balance in Strasbourg's favour is that every MEP now has his own bed sitting-room/office. With daily living expenses unaltered, the savings an MEP can make on not having to shell out for an hotel are considerable.

But that does not mean that a majority of MEPs think that Strasbourg should be the Parliament's headquarters. Most think that it must eventually go to Brussels on grounds of political

ties, logic and general efficiency. But mindful of Strasbourg's pleasant atmosphere and Mayor Fimlin's hospitality, they are a little like St. Augustine asking to be freed from sin, "but not quite yet."

In addition, many MEPs, like Holland's Piet Dankers, believe that the best way to this subject is by eliminating Luxembourg first and then going on to axe Strasbourg, while others, including many of the British Labour Party delegation, relish the disruption likely to be caused by the staff because it will focus attention on what they regard as the absurdity of the present situation.

For their part, the staff are impatient with such calculations and, in the words of Julian Priestley, the chairman of the largest and most militant of the two staff unions, they are "fed up with being used as a political football."

Mr. Priestley hopes that the threatened strike will force the Parliament to reach a decision on fixing one site by the middle of this year, rather than by the current deadline of mid-1982. If not, he foresees a prolonged period of guerrilla action by the Parliament's staff to "concentrate minds."

The immediate prospect of disrupting the farm price review will have some nuisance effect. But at the back of everybody's mind is the fear that the Parliament will merely be made to look ridiculous.

Testiness between ICL and the City

HELL HATH no fury like an investor scorned. And during the months leading up to Thursday's hasty government bailout of ICL, relations between the large computer manufacturer and the City have been testy, to say the least.

As late as last July some brokers' analysts were forecasting a respectable rise in ICL's profits and were caught flat-footed by the sudden reversal in its fortunes. They have not been consoled by the management's reluctance to discuss its problems in any depth since then.

The communications gap is all the more surprising in view of the fact that ICL's urbane and gregarious chairman, Mr. Philip Chappell, springs from an impeccable City background. A life-long merchant banker, he moved to the job just over a year ago from the vice-chairmanship of Morgan Grenfell Holdings.

Nor is this the first time that Mr. Chappell, 50, has had an inside view of ICL in difficult times. He was appointed to its board in early 1973, when it was struggling to recover from its last financial crisis. At the time, he was the only non-executive director not representing one of the then principal shareholders, the Government, GEC and Plessey.

Mr. Chappell joined Morgan Grenfell in 1954 straight from Christ Church, Oxford, where he read Greats. He spent his first two years doing a round of jobs in the bank to gain experience, and then went to Australia for two years as the bank's associate.

Morgan Grenfell was still finding its feet in Australia at the time. By all accounts he greatly enjoyed his time there and found it invigorating to work as part of a small team.

On his return he joined Morgan Grenfell's corporate finance side, rising to become managing director. He has said in the past that one of the most fascinating aspects of the job was the interplay between the private and public sectors in a mixed economy.

He had his first real opportunity to put his views on this subject into practice in 1971, when he was appointed part-time chairman of the National Ports Council, the Government's advisory panel on ports policy. It was also his first close contact with a major industry's day-to-day operations. Insiders recall that he made up in enthusiasm for what he lacked in experience.

Over the years, he has collected a string of directorships of major companies. These have included at various times, Plessey, Guest Keen and Nettlefolds and Equity and Law Life Assurance. He is also a Governor of the BBC.

In spite of the heavy strains on him during the past few months, he has managed to maintain a breezily affable manner. Interviewed about ICL's future several weeks ago, he ended the session with the perhaps optimistic admonition "Sing for Britain!"

Contributors

Alan Friedman
Matthew Symonds
Guy de Jonquieres

TODAY: Dockers' shop stewards meet to consider industrial action. Mr. Masayoshi Ito, Japanese Foreign Minister, starts visit to U.S. (to March 25).

TOMORROW: Department for National Savings publishes monthly progress report for February.

MONDAY: New vehicle registrations for February. European Community summit meeting opens, Maastricht, Netherlands. (to March 24). European Parliament session opens, Strasbourg. (to March 26). Delegates from 44 countries meet in Salisbury to discuss aid for Zimbabwe. Mr. John Biffen, Trade Secretary,

starts four-day official visit to Portugal. Mr. John Nott, Defence Secretary, visits Saudi Arabia and Gulf area. (to April 1). Lloyds Bank computer staff start 24-hour strike.

TUESDAY: Department of Employment publishes March provisional figures for unemployment and unfilled vacancies. Mr. James Prior, Employment Secretary, is among speakers at Institute of Directors Royal Charter Convention Royal Albert Hall, London. Prince Philip opens dental hospital, Hong Kong. Mr. Masayoshi

Economic Diary

Ito, Japanese Foreign Minister, meets President Ronald Reagan, Washington.

WEDNESDAY: Trades Union Congress general council meets, London. Financial Times two-day conference on South Australia resources and development, London. Mr. Ian MacGregor, British Steel Corporation chairman, speaks on the future of steel production in the UK, London.

THURSDAY: Department of Energy publishes energy trends. Official launch of Council for Social Democracy. EEC Steel Council meets, Brussels. EEC Transport Ministers meet, Brussels. Gas workers pay talks, London. Sir Ian Gilmour, Lord Privy Seal, addresses conference on which way to peace? issues of security and disarmament, London. Sir Terence Beckett, Confederation of British Industry director general, speaks at Bristol.

FRIDAY: February final figures for unemployment and unfilled vacancies. January figures for employment in the production industries, and for overtime and short-time working in manufacturing industries.

Over £1 million subscribed in first month

Mercury Gilt Fund

*** No initial charge**
*** Vigorous management for growth**
*** Proven investment expertise**

Traditionally, gilt edged investments have been purchased principally for their high and secure income, and the erosion of real capital values has tended to be ignored. Mercury Fund Managers—a subsidiary of merchant bankers S.G. Warburg & Co. Ltd.—consider that the prime consideration of gilt edged investors should be the protection of capital values and that this objective can be best pursued through active, skilful investment management.

Mercury Gilt Fund was launched on February 7th, 1981 with the aim of maximising the total return to investors. The Managers believe that, compared with some other gilt funds, Mercury Gilt Fund offers distinct advantages to private and institutional investors.

*** No initial charge whatsoever.** There is, only a management charge at a rate of one per cent per annum of the value of the Fund, levied monthly, and the spread between buying and selling prices will not normally exceed one per cent—an unusually low figure.

*** A radical approach for gilt investment,** with the accent firmly on vigorous management for growth. The Managers believe that the full potential of the gilt edged market can best be realised by an active and positive approach which may periodically include substantial sales of gilt holdings and maintenance of money on deposit.

To allow maximum freedom for achieving real growth, no particular level of income is aimed for. On the portfolio as at March 17th, the yield has been estimated at £11.22 per cent p.a. gross but since the Fund's aim is to total return this figure should not be taken as any indication of the level of income that will be distributed. On this date the buying price of units was 51.6p and the selling price 51.1p, compared with the price of 50p per unit during the launch period which ended on February 23rd.

A chance to test our skills. Even for the most knowledgeable private investor, investing in gilts can present pitfalls. Experience, expertise, access to sophisticated research and economic forecasting—taken together with minute-by-minute attention to market movements—are prerequisites for realising the full potential of the gilt edged market.

Mercury Gilt Fund provides you with access to all these, along with the advantage of enabling you to test our abilities and performance without any initial charge.

How to invest. Simply complete the coupon below and return it with your cheque. The minimum initial investment in Mercury Gilt Fund is £2,500.

GENERAL INFORMATION
The minimum initial investment in Mercury Gilt Fund is £2,500. Subsequent investments may be made in amounts of at least £100.
Units may be purchased or sold back at offer and bid prices calculated daily. Prices will be published daily in the Financial Times and Daily Telegraph.
There is no initial charge. The monthly management charge is 1% of one per cent of the value of the Fund plus VAT. On giving three months' notice, the Manager would be permitted to increase this charge up to 1.4% of one per cent. The Managers are entitled to a rounding adjustment included in bid and offer prices of up to 1% or 1.1p, whichever is the less.
Income net of basic rate tax is distributed twice yearly on 15th January and 15th July. Investors may choose to have income automatically reinvested in further units.
The Managers are Mercury Fund Managers Ltd. (Members of the Unit Trust Association). The Trust is a UK company limited by guarantee. The Fund is a UK authorised Unit Trust and a "wider-range" investment under the Trusts Investments Act 1961.

To: Mercury Fund Managers Ltd., 30 Gresham Street, London EC2P 2EB.
(Registered Office: registered in England, no. 1102967)
I/We wish to purchase units in Mercury Gilt Fund to the value of £
at the offer price ruling on receipt of my application.
A cheque made payable to Mercury Fund Managers Ltd. is enclosed (minimum £2,500 for new investors)
I/We are/are over 18 years of age.
☐ I/We would like distributions of income to be automatically reinvested.
☐ Unless this box is ticked income will be sent to you half-yearly.
☐ Please tick this box for details of how to exchange an existing portfolio for units in the Fund.

Surname (Mr/Ms/Ms/Ms) _____
Forenames in full _____
Address _____
(Please send and correspondence will be sent to this address unless you specify otherwise)
Signature _____ Date _____
(In the case of joint applications all must sign on a separate sheet of paper)

Mercury Fund Managers Ltd.
a subsidiary of Warburg Investment Management Ltd.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Standard Chartered Bank and Royal Bank of Scotland have agreed terms for a merger whereby Standard Chartered will offer one of its shares plus 50p in cash for every five shares of Royal Bank, valuing the latter at \$312m. Following announcement of the deal, Lloyds Bank immediately made a 200p per share cash bid for the 51 per cent of Finance House, Lloyds and Scottish, not already owned, Lloyds Bank and Royal Bank of Scotland each had a near 40 per cent of L & S, and Lloyds, in a "down raid" on Tuesday, bought a further 12.7m shares in L & S at 200p to raise its stake to 49.9 per cent. Standard Chartered and Royal Bank have indicated to Lloyds Bank that, on the merger becoming unconditional, they would enter into negotiations with Lloyds for the sale, on an arm's-length basis, of Royal Bank's 39.3 per cent shareholding in Lloyds and Scottish.

Dealing in Warner Holidays, the holiday camps group, resumed following a £10m plus agreement after Grand Metropolitan. The latter is offering three of its shares for every four Warner ordinary shares with a cash alternative of 48p. In addition, Grand Metropolitan is offering three ordinary shares for every five Warner A shares, with a cash alternative of 46p.

In a separate deal, Grand Metropolitan acquired Bejam's five unprofitable hamburger restaurants for £3m.

Anchleek Investments, a private investment holding company with four textile factories in Scotland, made an agreed 40p per share cash bid for Bond Street Fabrics, valuing the latter at £1.3m. In so doing, Anchleek topped the unwelcome share and cash offer from Grovebell, the motor dealer. Grovebell was offering 15p cash plus two ordinary shares for each Bond Street share.

Boosey and Hawkes, the music publisher and musical instrument manufacturer, agreed in principle to acquire Buffett Crampson Interests, a U.S.-based musical instrument manufacturer, for \$8.8m (\$3.9m).

The Spectator, the political weekly, was bought by Mr. J. G. "Algy" Cluff, the North Sea oil millionaire, for an undisclosed sum.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid per share**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
Avenue Close	78	86	78	10.59	Peaschey Property	—
Bond Street	40*	38	34	1.08	Arvchleek	—
Bond Street	285	38	36	0.55	Grovebell	—
Booth Int'l.	59	58	34	2.36	Garner	23/3
Bristol Evening Post	190*	180	105	5.22	Associated Newspapers	—
Carlton Inds.	278*	275	255	74.65	Hwkr. Sldly.	—
Central Man. and Trad.	55*	58	50	11.40	Caparo	—
Centway	132	119	123	1.63	Centway	—
Densbury	80*	94	74	2.41	Crown House	2/4
Eva Inds.	40*	40	37	2.73	Anglo	—
Hawthorn Leslie	147*	145	107	2.31	Indonesian	30/3
Inveresk	35*	34	35	7.12	Georgina Pacific	—

Lower demand hits Gibbs and Dandy

PRE-TAX profit of Gibbs and Dandy, builders merchant, ironmonger, tool merchant and electrical wholesaler, declined from £590,000 to £414,000 in 1980, on turnover increased by £1.1m to £14.6m.

In the half-year stage Mr. J. Dandy, the chairman, said the disappointing interim pre-tax profit of £173,723 (£211,060) on turnover of £7.44m (£8.14m) was due to falling output in all sections of the construction industry causing a marked reduction in demand. Prospects for the year were therefore uncertain, he said.

Tax for the year took £99,000 (£124,000) and deferred tax released was £276,000 (nil).

The profit attributable emerged at £591,000 (£486,000), and earnings per 10p share are stated at 3.9p (3.7p). The directors have recommended a same again dividend for the year of 1.25p net.

On a current net cost basis profit after tax came out at £508,000 (£469,000).

16p so far from Court Line

16P SO FAR FROM COURT LINE Mr. Robert Nicholson and Mr. Guy Parsons of accountants, Peat Marwick Mitchell, the joint liquidators of Court Line, announced that a fourth dividend of 5p in the pound has been declared, bringing the total to date to 16p.

The joint liquidators had hoped that all disputes with creditors would be settled in 1980. The fact has not proved possible, and it now seems likely that certain disputes will proceed to Court unless an earlier settlement can be reached. Appropriate provision has been made for the costs of these actions in calculating the fourth dividend.

By reason of the settlement of potential litigation concerning

Over £304,000 by Municipal Properties

Including a slightly lower surplus on property sales by its dealing subsidiaries of £86,974, against £87,000. Municipal Properties finished 1980 with a taxable profit ahead from £265,189 to £304,811. The net dividend is being stepped up 1p to 7.5p per 50p share.

Turnover for the year improved from £247,473 to £288,742. Stated earnings per share came out little changed at 29.14p (29.13p) after tax of £163,802 (£124,227).

A surplus on sales of property amounted to £209,273 (£155,161) net of tax and has been credited to reserves.

BASE LENDING RATES

A.B.N. Bank	12%	Guinness Mahon	12%
Allied Irish Bk.	12%	Hambros Bank	12%
Amro Bank	12%	Hill Samuel	12%
Bank of America	12%	Hongkong & Shanghai	12%
Bank of Canada	12%	Keyser Ullmann	12%
Bank of China	12%	Knowles & Co. Ltd.	12%
Bank of Cyprus	12%	Langris Trust Ltd.	12%
Bank of India	12%	Lloyds Bank	12%
Bank of Japan	12%	Mallin Ltd.	12%
Bank of Korea	12%	Midland Bank	12%
Bank of New Zealand	12%	Morgan Grenfell	12%
Bank of Oman	12%	National Westminster	12%
Bank of Persia	12%	Parsons & Co.	12%
Bank of Portugal	12%	R. S. Refson & Co.	12%
Bank of Rangoon	12%	Rossminster	12%
Bank of Saudi Arabia	12%	Ryl. Bk. Canada (Ldn.)	12%
Bank of Singapore	12%	Slavenburg Bank	12%
Bank of Siam	12%	E. S. Schwab	12%
Bank of South Africa	12%	Standard Chartered	12%
Bank of Taiwan	12%	Trustee Savings Bank	12%
Bank of Thailand	12%	TCB Ltd.	12%
Bank of Victoria	12%	Union Bank of Kuwait	12%
Bank of West Indies	12%	Whiteaway Ltd.	12%
Bank of Yugoslavia	12%	Williams & Glyn's	12%
Bank of Zanzibar	12%	Wicktrust	12%
Bank of Zambia	12%	Yorkshire Bank	12%
Bank of Zimbabwe	12%		
Bank of the Azores	12%		
Bank of the Canary Islands	12%		
Bank of the Cape Verde Islands	12%		
Bank of the Comoros	12%		
Bank of the Congo	12%		
Bank of the Democratic Republic of Congo	12%		
Bank of the Equatorial Guinea	12%		
Bank of the Gambia	12%		
Bank of the Guinea-Bissau	12%		
Bank of the Ivory Coast	12%		
Bank of the Jordan	12%		
Bank of the Kenya	12%		
Bank of the Lesotho	12%		
Bank of the Liberia	12%		
Bank of the Madagascar	12%		
Bank of the Malawi	12%		
Bank of the Mali	12%		
Bank of the Mauritania	12%		
Bank of the Mauritius	12%		
Bank of the Mozambique	12%		
Bank of the Namibia	12%		
Bank of the Niger	12%		
Bank of the Nigeria	12%		
Bank of the Rwanda	12%		
Bank of the Senegal	12%		
Bank of the Sierra Leone	12%		
Bank of the Somalia	12%		
Bank of the Sudan	12%		
Bank of the Swaziland	12%		
Bank of the Tanzania	12%		
Bank of the Togo	12%		
Bank of the Tunisia	12%		
Bank of the Uganda	12%		
Bank of the United Arab Emirates	12%		
Bank of the Zaire	12%		
Bank of the Zimbabwe	12%		

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid per share**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
Lloyds & Scottish	200*	200	185	144.21	Lloyds Bank	—
Sumatran	370*	362	340	31.53	Marrissons	—
Negrelli and Zambra	35*	33	30	0.80	Crossfield	—
Record Ridgway	42*	40	20	47	Bakro	31/3
Renwick	85*	88	77	7.84	Kangra	30/3
Robertson Foods	184	180	97	19.11	Avana	—
Roskill	28*	27	26	2.68	Amher Day	—
Royal Bank of Scotland	140	132	98	318.79	Stand. Chartered Bank	—
Savoy "A"	176	170	125	48.52	Trusthouse	—
Savoy "B"	101	925	775	13.71	Trusthouse	—
Street Riley	42*	51	50	0.91	Mr. Stefan	—
Tunnel "B"	413	386	320	73.37	Ward (T.W.)	30/3
UDT	57*	56	52	109.8	TSE	27/3
Warner Hols.	137	131	64	6.58	Grand Met.	—
Warner Hols. 'A'	110	105	55	3.86	Grand Met.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Based on 20/3/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ††† Unconditional. †††† Corrected.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
AB Electronic	Dec.	568L (395)	0.5 (3.0)
Barratt Develops.	Dec.	11,890L (11,588)	2.5 (2.5)
Bejam	Dec.	4,820 (4,100)	1.25 (1.0)
Brooke Bond	Dec.	19,330 (24,210)	1.25 (1.25)
Ducille Steels	Dec.	1,490L (2,370)	— (2.12)
Kwahu	Dec.	42 (54)	— (—)
Lawrence	Dec.	171L (253)	1.0 (1.86)
Lad. Sect. Pls.	Dec.	407 (407)	0.6 (0.53)
Mucklow (A & J)	Dec.	1,810 (1,710)	0.88 (—)
Nelson (David)	Sept.	112L (84)	— (—)
Pressas Hlgs.	Jan.	112L (276)	0.35 (0.51)
Thorp (F.W.)	Dec.	274 (400)	1.0 (1.0)
Trifford Park	Dec.	911 (705)	2.75 (2.25)
Walker (James)	Oct.	870 (1,530)	1.5 (1.5)
Waring & Gilbey	Sept.	588 (2,120)	1.5 (1.5)
Wolsley Hughes	Jan.	3,440 (7,680)	4.4 (4.4)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † In IRE.
‡ For nine months. § For 12 months. ¶ Income before tax. †† Profit after tax and transfers to inner reserves. ††† Estimated figures released with a share placing. L Loss.

Offers for sale, placings and introductions

Fletcher Challenge—London listing.
West Hampshire Water Company—Offer for sale by tender of £2m 8 per cent redeemable preference stock, 1986, at £102 per cent.

Waverley Cameron tax boost

Taxable profits of Waverley Cameron, stationery manufacturer, fell from £378,416 to £227,425 for 1980, but after a tax credit against a charge, the available balance came through ahead from £233,017 to £306,682. Turnover was down slightly to £2.71m (£2.88m).

Earnings per 25p share are shown as 31.68p compared with 24.01p and the dividend is effectively maintained at 3.75p net.

The tax credit was £79,257 against a £145,399 charge and the dividend will absorb £28,590.

On a CCA basis the taxable surplus is £101,318.

At mid-year, turnover and pre-tax profits of this Edinburgh-based concern were £323,105 (£1,03m) and £80,856 (£115,361) respectively.

Charterhouse Petroleum above forecast

COMPARED with a forecast of £4.85m, given at the time of the company's flotation last August, Charterhouse Petroleum, oil subsidiary of the Charterhouse Group, achieved a pre-tax profit of £5.3m for the six months ended December 31, 1980, on turnover of £6.62m.

Crude oil prices fell in sterling terms during the six months, and this coupled with lower than forecasted earnings per share of 0.5p, as forecast, which will absorb £400,000.

Earnings per share are shown as £4.25p.

Pre-tax figure included interest earned of £1.5m on cash deposits and after deferred tax of £3.32m the attributable balance was £1.98m—forecast interest and attributable figures were £1.1m and £1.8m respectively.

£1.9m for Titaghur in second half

FOR THE year to June 30, 1980, the Titaghur Jute Factory Company turned round a loss of £783,773 to a profit of £5.49m, on turnover up from £21.48m to £36.24m.

At the half-year stage, when pre-tax profit stood at £3.53m (loss £234,000), the directors said that the second half would not be as profitable because of a continuous and steep decline in prices of jute goods. Second-half pre-tax profit came out at £1.98m, confirming this prediction.

The tax charge for the year was £250,000 (nil), extraordinary items took £58,480 (£573,782 addition), and differences on exchange added £3,823 (nil).

The attributable profit emerged at £5.41m (£205,598 loss), after charging for attributable minority interests.

The stated earnings per £1 share came out at 38.0p (56.8p loss). No dividend is to be paid again this year.

The company's main business consists of the manufacture in India of various goods utilising

Celtic Haven cuts loss

ANNOUNCING A substantial reduction in the pre-tax loss of Celtic Haven from £159,715 to £77,775 for the six months to September 30, 1980, Mr. Neil Sheppard, the chairman, says this West Wales marine engineer and steel fabricator should break even in the second half of the current year and return to profitability in 1982.

Pre-tax loss for the year ended March 31, 1980 was £282,401.

Turnover in the half-year rose from £389,930 to £600,598 and after tax credits down from £80,000 to £40,000, the net deficit fell from £79,715 to £37,775 per 50p share was 7.5p (1.59p).

Sale of the company's farms produced a net surplus over book value of £292,000, which after provision of £100,000 to cover the decisions not to renew the lease on the loss-making Celtic

RESULTS AND ACCOUNTS IN BRIEF

ANGLO-AMERICAN SECURITIES CORPORATION—Results for year to January 31, 1981, reported February 12. Investment income £86,780m (£78.1m); listed in UK £59.02m (£50.82m); listed outside UK £27.76m (£27.28m); unlisted £10.7m (£10.8m). Directors' pre-tax profit of £4.75m in current year and increase interim payment to 1.5p to reduce disparity. Meeting, 22, rue Winchester Street, EC4, April 8 at 2.45 p.m.

WELLS AND SPENCER HOLDINGS (dry cleaning, laundry and textile machinery)—Results year ended November 30, 1980 reported March 10. Investment income £5.2m (£5.1m); shareholders' funds £7.18m (£7.1m); net current assets £5.17m (£5.36m); cash £0.2m (£0.46m) and bank and overdrafts £1.88m (£0.88m). Meeting, Epsom, April 8, at noon.

PROVIDENT FINANCIAL GROUP (credit, finance and banking)—Results for year to December 31, 1980 reported March 4, 1981. Shareholders' funds £37.1m (£34.79m); creditors and accrued liabilities £51.37m (£44.85m); bank advances £4.18m (£10.99m); term loans and acceptances £10.58m (£10.58m); cash and bank balances £4.06m (£3.54m). Historical pre-tax profit of £3.47m (£3.23m) reduced to £4.18m on a CCA basis. Company has been notified that Kuwait Investment Office holds 2,295,000 ordinary shares (£5.88 per share). Meeting, Bradford, April 8, at noon.

HEYWOOD WILLIAMS GROUP (manufacture and supplier of building materials)—Results for eight months to December 31, 1980, reported March 7, 1981. Shareholders' funds £5.2m (£5.1m); bank overdrafts £0.1m (£0.1m); creditors £7.01m (£5.18m); bank balances £2.2m (£2.08m); debtors £7.7m (£7.14m). Pre-tax loss on a CCA basis is £391,000. Extra Investment Trust has a 12.93 per cent holding in the company, and Prudential Assurance Company 5.77 per cent. Meeting, Huddersfield, April 7, 11.45 a.m.

JAMAICA SUGAR ESTATES—Results for year to September 30, 1980. Turnover £221.5m (£208.52m); pre-tax profit £30,053 (£28,116). Tax nil (same); attributable loss £231,913 (£221,130) after extraordinary debt of £261,153 (credit £251,084). Stated earnings per 25p share 0.3p (loss 0.85p). Again no dividend will be paid. Board save extraordinary item represents elimination of goodwill of £221,169 and provision of £40,984 for reparation due to hurricane damage.

ALLIANCE TRUST—Results for year ended January 31, 1981, already known. UK listed investments at market valuation £109.52m (£102.09m); overseas £85.2m (£48.38m); unlisted at directors' valuation £564,000 (£474,000). Unrealised appreciation of investments £37.44m (£48.59m).

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Banco Unisid.	Dec.	901 (1,180)	15.2 (17.2)	3.0 (3.0)
Buddingins. Brwy.	Dec.	74,600a (66,800)	8.5 (—)	9.43 (8.57)
Britannia Arrow	Dec.	5,350 (4,010)	8.2 (10.0)	3.0 (2.5)
Broux Engn.	Nov.	2,860 (1,520)	8.2 (11.6)	1.0 (0.7)
BSR	Jan.	507 (624)	13.0 (4.9)	1.08 (1.05)
Canmay. Schepps.	Dec.	17,660L (3,550)	— (3.3)	— (2.83)
Canning (W.)	Dec.	61,300 (57,400)	6.1 (4.5)	4.1 (3.88)
Cement Roadstone	Dec.	1,630 (1,440)	10.1 (9.0)	3.98 (3.98)
Clarke (T.)	Dec.	25,230† (24,140)	14.6 (13.7)	5.32 (4.62)
DRG	Dec.	582 (476)	20.2 (3.4)	1.75 (1.4)
Fairclough Cast.	Dec.	18,000 (27,700)	9.6 (20.8)	6.0 (8.5)
Fisher (James)	Dec.	10,270 (10,170)	42.3 (16.0)	4.5 (4.0)
GKN	Dec.	3,040 (2,970)	12.6 (12.5)	2.15 (1.78)
Hall Engng.	Dec.	1,200L (125,800)	— (47.6)	8.0 (19.39)
Hawley Leisure	Dec.	7,070 (6,300)	46.2 (33.1)	7.61 (7.0)
Howitt (J.)	Dec.	1,210 (520)	6.7 (5.0)	1.8 (0.8)
Howitt (J.)	Dec.	22,290 (36,170)	10.2 (20.8)	5.25 (5.0)
Howard Machine	Dec.	612 (1,387)	19.2 (14.2)	1.5 (1.5)
IMI	Dec.	2,820L (1,230)	— (3.1)	4.5 (4.4)
Jacobs (John L.)	Dec.	28,240 (34,540)	10.8 (15.7)	4.5 (4.4)
Jameson Chocs.	Dec.	1,340 (1,340)	4.5 (2.7)	2.8 (2.1)
Jones (A. A.)	Dec.	323 (517)	16.5 (12.7)	4.0 (4.0)
Lex Service	Dec.	12,800 (2,540)	11.6 (15.1)	3.6 (3.53)
Liverpool Post	Dec.	13,800 (2,500)	17.1 (30.9)	7.0 (7.0)
Mackay (Hugh)	Dec.	1,470 (1,120)	9.5 (23.4)	9.5 (9.5)
McLaughlin Hrvy.	Dec.	1,141L (335)	2.7 (8.5)	3.82 (3.82)
Metallux	Dec.	1,200 (980)	44.9 (14.3)	5.25 (3.0)
Morgan Grenfell	Dec.	1,800 (2,530)	6.5 (8.2)	2.4 (2.27)
Nichols (J. N.)	Dec.	7,200L (5,038)	67.9 (47.4)	4.67 (3.51)
Pittard	Dec.	1,840L (1,810)	20.3 (23.0)	7.03 (7.03)
Relyon (PBWS)	Dec.	5,111L (5,111)	14.7 (11.3)	4.5 (4.8)
Sale Tiley	Nov.	1,450 (1,850)	30.8 (38.7)	7.5 (6.75)
Sharpe & Fisher	Dec.	1,940 (2,180)	30.8 (38.7)	7.5 (6.75)
Sing Furniture	Dec.	1,400 (1,820)	4.7 (6.1)	1.8 (1.78)
Staley	Dec.	1,470 (3,350)	12.0 (34.8)	5.0 (5.0)
Tilling (Thos.)	Dec.	18,220 (13,810)	36.1 (38.8)	10.5 (10.5)
Trade Indemnity	Dec.	7,070 (7,070)	21.5 (29.4)	7.5 (7.0)
Tricentrol	Dec.	8,230 (8,230)	38.2 (32.7)	6.34 (6.34)
Waterford Glass	Dec.	39,003L (21,007)	27.7 (20.9)	8.4 (7.0)
Wvry. Cameron	Dec.	8,050L (11,600)	3.0 (4.4)	1.5 (1.5)
Woodward (H.)	Sept.	227 (373)	31.7 (24.0)	3.75 (3.75)
		306 (431)	13.7 (11.2)	2.2 (2.2)

Scrip Issues

Metallux—One for ten.

Rights Issues

IMI—Rights issue on the basis of two for seven at 48p per share to raise £27.5m.
W. E. Norton is raising £0.75m by way of a rights issue of 11 per cent convertible preference shares, 1986-2001 of £1.
Suter Electrical—Rights issue of 2.05m units of five new ordinary 5

Wall St. higher and active

	Mar.	M
Stock	19	7

Banks remained neglected and insurances were quietly steady.

Oetlikon-Buehler, again the most active stock, closed unchanged at SwFr. 2,550 — it denied Bourse rumours of an impending participation in Participating Certificate Rights issue at an issue price of SwFr. 250.

Jelmoli rose SwFr. 130 to SwFr. 1,360 on its 1960 net profit of SwFr. 313m. (SwFr. 273m).

Paris

Firm in quiet trading.

Banks and insurances, Foods and Motors were firm. Peugeot rose Fr. 1 to 145 after its subsidiary Citroen said it would close its Yugoslav assembly plant.

Chemicals were also firm, as were Metals. In Mines, Inetal was temporarily suspended and resurged trading Fr. 9.1 higher at 168.

However, Engineering, Electricals and Oils were mixed. Stores and Rubbers were also mixed.

Portfolios and Constructions declined slightly. Bessanges gained Fr. 1 to 667 against the sector's trend.

In the Foreign sector, Americans, Germans, Dutch, Japanese, Gold Mines and Coppers were firm, while Oils eased.

Germany

Narrowly mixed in lively trading.

Veba ended DM 1 higher at 126.50 after announcing slightly lower pre-tax profits and an unchanged dividend.

On the Domestic Bond Market, Public Authority Loans fell by as much as two points and the Bundesbank bought a net DM 56.7m of stock, after selling

Eastern Airlines..	91 $\frac{1}{2}$	9
Eastern Gas & F.	26 $\frac{3}{4}$	25
Eastman Kodak	80 $\frac{1}{2}$	79

[illegible]

Indices

Price	+ or -				
Prime					
H.K.S.					
23.5	-0.6				
23.5					
9.6					
30					
7.80					
11.20					
8.85					
26.4	+0.1				
32.6	-0.1				
5.70	-0.19				
5.70	+0.20				
13.8	+0.1				
15.4	-0.19				
5.78					
Price	+ or -				
924	+8				
929	-7				
930					
940	+10				
945	+12				
975					
980	+10				
985					
990	+8				
1012					
1015	10				
1020	+80				
1070	+10				
1080	+10				
1090	+14				
1100					
1115	+8				
1120	+10				
1125	+10				
1130	+10				
1140	+10				
1150	+10				
1160	+10				
1170	+10				
1180	+10				
1190	+10				
1200	+10				
1210	+10				
1220	+10				
1230	+10				
1240	+10				
1250	+10				
1260	+10				
1270	+10				
1280	+10				
1290	+10				
1300	+10				
1310	+10				
1320	+10				
1330	+10				
1340	+10				
1350	+10				
1360	+10				
1370	+10				
1380	+10				
1390	+10				
1400	+10				
1410	+10				
1420	+10				
1430	+10				
1440	+10				
1450	+10				
1460	+10				
1470	+10				
1480	+10				
1490	+10				
1500	+10				
1510	+10				
1520	+10				
1530	+10				
1540	+10				
1550	+10				
1560	+10				
1570	+10				
1580	+10				
1590	+10				
1600	+10				
1610	+10				
1620	+10				
1630	+10				
1640	+10				
1650	+10				
1660	+10				
1670	+10				
1680	+10				
1690	+10				
1700	+10				
1710	+10				
1720	+10				
1730	+10				
1740	+10				
1750	+10				
1760	+10				
1770	+10				
1780	+10				
1790	+10				
1800	+10				
1810	+10				
1820	+10				
1830	+10				
1840	+10				

Swissair expects to maintain profits

By Our Financial Staff

MAINTAINED profits at least are expected for 1981 by Swissair, the Swiss national airline which last year saw earnings dip by an eighth.

Higher fuel costs and reduced traffic volume checked the airline in 1980, it was explained at yesterday's press conference in Geneva. Losses on flight operations totalled SwFr 57m (\$30.5m).

The conference was also told that Swissair planned to create a new holding company to handle its associated businesses. The move would "relieve the financial strains" on the airline and give individual companies more independence.

Divisions

The new holding company, Swissair Associated Companies, would be established in Basle with a capital of SwFr 75m, together with a shareholders' loan of SwFr 65m and would be composed of four divisions.

The first division will comprise companies in the hotel, restaurant and airline catering fields; the second will take in real estate and technically oriented firms; the third will include Swissair Auditing and minority holdings; and the fourth will contain various travel, transport and insurance companies.

Earlier this month Swissair combined its announcement of lower profits—SwFr 44.3m, against SwFr 30.4m—with plans for a rights issue to raise SwFr 52m.

The funding is to take the form of a 20-for-1 swap for 400 shares. The airline is holding its dividend for 1980 at SwFr 38 a share.

The First Viking Commodity Trusts

Commodity OFFER 26.9
Trust BID 25.5

Commodity & General
Management Co Ltd
10-12 St George's Street
Douglas Isle of Man
Tel: 8624 25115

PUK plans to rationalise or sell chemical division

BY TERRY DODSWORTH IN PARIS

MAIN, the diversified French industrial group, is aiming to rationalise or sell its loss-making chemicals division which last year accounted for 22 per cent of group sales.

Following widespread rumours of an agreement to sell the division to Occidental Petroleum of the U.S., PUK has announced that it has opened talks on the future of the chemicals division with several domestic and overseas companies.

In the difficult situation which the industry is in, particularly in Europe, the large chemicals groups are intensifying their efforts at rationalisation, the company said. It added that no decision could be taken on its moves to modify its activities in this area without the agreement of the authorities.

PUK's chemicals division accounted for FFfr 8.4bn (\$1.7bn) of the group's FFfr 38.1bn turnover last year. But trading was hit by the slow-down in the economy and the general depression in this sector, leading to losses of FFfr 105m.

The decision to reorganise its chemicals interests is also connected with the group's aims of concentrating its activities on areas where it has a strong market position, mainly aluminium and nuclear fuels manufacturing.

This policy has, in addition, led the group to start negotiations on the sale of its special steel interests to Sacilor-Sollac, the second largest of the French steel producers. Aluminium sales last year amounted

to FFfr 15.4bn, while accounting for 75 per cent of gross profits.

Meanwhile speculation that Occidental Petroleum might buy PUK's chemicals business has been mounting. Mr. Zoltan Merszel, who heads Oxy's chemical interests, is pursuing an expansion policy in Europe.

This month Oxy signed a \$1.1bn coal and petrochemicals deal with the Italian Statoil-Eni group. A new company to be set up and it will run some of ENI's base chemical plants. The acquisition of some or all of PUK's downstream chemicals plants could complement the operations of Eni.

Oxy's own chemicals division had net profits of \$103m in 1979 on worldwide sales of \$2.5bn. But most of this business was in the U.S.

Major videodisc campaign by RCA

By Jason Crisp

TOMORROW, RCA, the giant U.S. communications conglomerate, begins a \$20m promotional campaign for videodisc players, the biggest in the company's history since the launch of colour television.

The promotion begins on the major television networks and in a wide number of newspapers and magazines. RCA's Selectavision videodisc is the first to be launched nationally and is the cheapest of the three competing systems.

Selectavision video discs are like grooved audio records from which films and programmes are played on a television set. The player will cost \$499.95 and each disc will cost between \$14.95 and \$25. Rival systems have been developed by Philips, the Dutch electrical company, and JVC, the Japanese company. Philips have been test marketing in 32 U.S. cities for the last two years.

Philips' sophisticated laser disc player, originally scheduled for launch in Britain this spring, has been postponed for six months. Earlier this month JVC announced that its VHD videodisc system would be launched in the U.S. in January 1982. In the UK in June that year after an initial launch in Japan this autumn.

RCA has 15,000 disc players and 100 discs in the shops for purchase on Monday. Annual production of players in the first year is estimated at 500,000.

A number of companies will market Selectavision in the U.S. including Zenith, Sears, Radio Shack, Sanyo, Montgomery Ward, J.C. Penney, Toshiba and Hitachi.

JVC's videodisc—more sophisticated and more expensive than Selectavision but now being backed by other Japanese companies including Toshiba, Mitsubishi, NEC and Sanyo. In the U.S. it will be marketed by General Electric, Quasar, Panasonic and JVC itself. In the UK it will be marketed by Thorn-EMI.

In Britain GEC has a licence to manufacture RCA's Selectavision although it has not committed itself to entering the market yet.

Osaka Shoken moves to settle its debt problems

BY RICHARD C. HANSON IN TOKYO

OSAKA SHOKEN SHINYO, the troubled Osaka share financing company, has entered proceedings to settle its ¥730n (\$350m) debts to Japanese and foreign banks.

A week ago, the company disclosed that it was in deep trouble as a result of lending to a Tokyo-based group of stock speculators. Its debts, as announced yesterday in Osaka, amount to a sum of which its current assets will cover only 18.7 per cent.

In making the announcement, the company said it has applied for reconstruction under composition procedures. This means that it will attempt to reach a private compromise with creditors on its debts under supervision of Osaka District Court.

Agreement with 75 per cent of the creditors has to be reached for composition to be effective. Among the total of 46 creditors 17 will, it is known, join the composition group. These are the ones which were unable to cover their loans by selling off the shares used by Osaka Shoken as collateral.

It is thought that a fair number of the 14 foreign banks originally involved (for loans of around ¥200bn) will join the procedures. One estimate is that only four or five of the foreigners had sufficient collateral to cover all the loans to Osaka Shoken.

It is uncertain whether the composition group will be able to reach a solution which will keep the company solvent. But the chances improved this week as the authorities began exerting indirect pressure on the securities industry to avoid further chaos. The security houses reacted by supporting the prices of the shares most heavily involved as collateral.

This support contributed to the atmosphere behind yesterday's agreement to attempt composition, since the value of the collateral is expected to be the more stable.

Osaka Shoken presented the threat of becoming one of the largest financial failures in Japan's post-war history. It appears to be, by far, the largest involvement ever on the part of foreign banks in such a Japanese failure.

Shell and Naarden drop venture

BY CHARLES BATCHELOR IN AMSTERDAM

SHELL PETROLEUM and Naarden International, the Dutch flavours and fragrances group, have decided to wind up their joint aroma chemicals company established four years ago.

Naarden and Shell Aroma Chemicals was set up to research, produce and market fragrances used in soaps, detergents, toiletries, cosmetics and fine perfumes.

Growth has been slower than expected despite successes in developing a number of interesting products using Shell's knowledge of petrochemical

processes and Naarden's experience in fragrances. Prospects for further development are less attractive than first thought, partly because of the sharp rise in the price of some raw materials, they said in a joint statement.

Naarden will continue to develop its own aroma chemicals business and will also keep up production and marketing of products which were launched by the joint venture company. Contacts established between Shell and Naarden in the research field and elsewhere will be maintained.

Naarden also announced a sharp recovery of profits in 1980 though the FI 24.4m loss made in 1978 has not yet been made good and the company is still unable to pay a dividend. The ending of the joint venture with Shell will not have a noticeable effect on profits.

Net profit nearly tripled to FI 7.1m (\$3m) from FI 2.7m on sales which were 5.5 per cent higher at FI 468m (\$206m). Operating profit rose 17 per cent to FI 36.5m. Depreciation increased marginally to FI 12.6m.

BankAmerica sees income fall

BY OUR FINANCIAL STAFF

MR. A. W. CLAUSEN, president of BankAmerica, said that first quarter earnings will be lower than those of the comparable period in 1980 due to higher expenses, a slowdown in loan volume and higher interest rates.

He gave no specific estimate of the anticipated first quarter decline and made no forecast on total 1981 results.

In last year's first quarter, BankAmerica earned \$134.5m or 92 cents a share before securities transactions, while total 1980 operating earnings were

\$645 or \$4.39 a share.

Mr. Clausen said that in the current first quarter, inflation has caused higher than normal growth of expenses, particularly for future electronic banking.

Also, "loan volume and net interest revenue are growing at lower than normal rates in a sluggish economy." "Extraordinarily high" short-term interest rates have compressed BankAmerica's domestic and foreign profit margins. In the bank's annual report, it is disclosed that the Bank of America subsidiary has reduced

loan exposure in Bolivia, El Salvador, Jamaica and Nicaragua.

Loans to those four countries represented less than 6 per cent of total net loans of \$4.5bn made in 1980 to Latin America and Caribbean countries.

In Philadelphia, First Pennsylvania, holding company for First Pennsylvania Bank, which was rescued last spring through an aid package of Federal funds and bank loans, said it expects to report a net profit for 1981, starting with its first quarter ending March 31.

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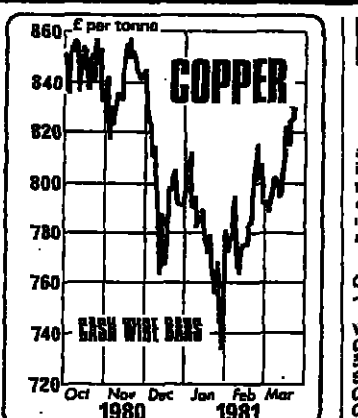
COMMODITIES/REVIEW OF THE WEEK

New bid to break tin pact deadlock

BY OUR COMMODITIES STAFF

REVISED PROPOSALS for the planned new International Tin Agreement were put forward by Peter Lai, conference chairman, in Geneva yesterday in hopes of achieving a settlement by the scheduled closing date next Friday. Governments present were given until next Tuesday to react to the proposals, but Bolivia quickly said it could not accept them because they were not sufficiently tough in demanding controls on sales from non-commercial or strategic stockpiles. It is felt in Geneva that both Bolivia and the U.S. may decide not to join a tin pact, which would weaken its

potential influence considerably. Mr. Lai said his proposals included a price structure divided into three parts for the agreement. He suggested there should be three equal bands of 10 per cent above a fixed "floor" price, making the "ceiling" 130 per cent above the base line. If the price of tin fell below 110 per cent of the floor level, the buffer stock manager would be empowered to buy up to a total of 50,000 tonnes. When the price exceeded 120 per cent the buffer stock would release any accumulated holdings. Meanwhile on the tin market



this week the Straits price in Malaysia moved up strongly from 30.03 ringgits to 31.10 ringgits a kilo. But London values were depressed by the strength of sterling and cash tin ended the week \$2.5 lower at \$6,102.5 a tonne.

Sterling also depressed other base metals, with the exception of copper which was boosted by the cut in U.S. interest rates bringing hopes of better demand developing and a consequent rise in U.S. domestic copper prices. Encouraging the upturn was the sharp rally in gold that also helped to strengthen the market platinum and silver prices.

Hopes that other cocoa producers could persuade the Ivory Coast, the world's biggest producer, to join the proposed International Cocoa Agreement appear to have faded. A new effort to win the Ivory Coast's approval for the pact was made at a meeting of the Cocoa Producers' Alliance this week. But when the talks closed yesterday no statement was issued.

The way was cleared for the EEC to join the cocoa agreement this week when West Germany decided to sign. There had been considerable doubt about this as the Government had been urged by the country's cocoa trade to stay outside the pact.

Cocoa prices were a little easier on the London futures market with the May position losing \$1.5 on the week to \$247 a tonne.

Coffee values rose marginally helped by reports that Panacof, the producers' support buying group, had sold off most of its coffee stock. This has been a condition of U.S. approval for the International Coffee Agreement. The fact that this stock is no longer overhanging the market encouraged a rise which left the May futures position \$9 up at \$1,030.50 a tonne.

However, the price increase was restricted by growing doubt that Panacof had actually sold much of its total holding. Sugar prices also moved higher early in the week but after a 5.50 fall yesterday, reflecting a sharp overnight decline in New York, the August futures position closed \$0.25 down on the week at \$232.575 a tonne.

MARKET REPORTS

BASE METALS

COPPER—Firm as gold moved ahead in the wake of further reductions in the price of silver. Copper traded quietly around the \$245 level during the morning but rose sharply in the afternoon to close the late bid at \$251. Turnover 21,075 tonnes.

	Official	Unofficial
Wirebars		
Cash	823.4	830.5
3 months	840.5	850.1
Settlement	824	830
Cathodes		
Cash	815.6	823.4
3 months	831.2	839.40
Settlement	816	824

Aluminium—Trading reported that in the morning, cash aluminium traded at \$225, 25, three months \$244, 43, 42, 43, cash, \$215, 43, 44, three months \$230, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

TIN—Esser moved to the decline at 10.00, then recovered to 10.10, forward metal at 10.10, in the afternoon, three months recovering to close the late bid at \$2,200. Turnover 1,515 tonnes.

LEAD—Lost ground as hedge selling and stockpiling activity forced forward metal fall from \$22.5 to \$21.5, 25, three months \$23.5, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

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NICKEL—Firm as the late fall in sterling pushed the price up to \$2,600 on the late bid. Turnover 411 tonnes.

	Official	Unofficial
Spot	2795.95	2820.50
3 months	2775.4	2805.10

SILVER—Silver was held 1.19 on a ounce lower for spot delivery in the London bullion market yesterday at 588.8p, U.S. equivalents of the fixing levels were: spot \$12.01, 100 days \$12.01, 3 months \$12.01, 6 months \$12.01, 9 months \$12.01, 12 months \$12.01.

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SILVER—Silver was held 1.19 on a ounce lower for spot delivery in the London bullion market yesterday at 588.8p, U.S. equivalents of the fixing levels were: spot \$12.01,

Figure 1

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

2001/02

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Financial Times Saturday March 21 1981

LA-300001

Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
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Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
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Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20

INVESTMENT TRUSTS

Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100
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Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100
Abertis Inv. 189 (18/3)	100	100	100

UNIT TRUSTS (40)

M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
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M & G American Inv. 189 (18/3)	100	100	100

MINES-Miscellaneous (406)

AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
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AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100

LOCAL AUTHORITY BOND TABLE

Authority	gross pay- interest	Life sum bond
Knowsley (051-548 6555)	132	1-year 1,000 5-7

BUILDING SOCIETY RATES

Deposit	Share	Sub- rate	Term
Abbey National	9.00	9.25	10.50
Ald to Thrift	9.65	10.15	—
Alliance	9.00	9.25	10.50
Anglia	9.00	9.25	10.50
Bradford and Bingley	9.00	9.25	10.50
Bridgewater	9.00	9.25	10.50
Bristol Economic	9.00	9.25	10.50
Britannia	9.00	9.25	10.50
Burnley	9.00	9.25	10.50
Cardiff	9.00	10.25	11.25
Catholic	9.00	9.50	10.50
Chelsea	9.00	9.25	10.50
Chesterham and Gloucester	9.00	9.25	10.50
Chesterham and Gloucester	9.00	9.25	10.50
Citizens Regency	9.00	9.55	10.75
City of London (The)	9.25	9.50	10.50
Coventry Economic	9.00	9.25	10.50
Coventry Provident	9.00	9.25	10.50
Derbyshire	9.00	9.25	10.50
Dorset and Acton	9.00	9.25	10.50
Gateway	9.00	9.25	10.50
Greenwich	9.00	9.25	10.50
Guardian	9.00	9.25	10.50
Halifax	9.00	9.25	10.50
Heart of England	9.00	9.25	10.50
Hearts of Oak and Enfield	9.00	9.25	10.50
Hendon	9.00	9.25	10.50
Huddersfield and Bradford	9.00	9.25	10.50
Lambeth	9.00	9.25	10.50
Laminating Spa	9.00	9.25	10.50
Leeds Permanent	9.00	9.25	10.50
Leicester	9.00	9.25	10.50
Liverpool	9.00	9.25	10.50
London Grosvenor	9.00	9.25	10.50
Melton Mowbray	9.00	9.25	10.50
Mornington	9.00	9.25	10.50
National Counties	9.00	9.25	10.50
Nationwide	9.00	9.25	10.50
New Cross	9.00	9.25	10.50
Northern Rock	9.00	9.25	10.50
Norwich	9.00	9.25	10.50
Paddington	9.00	9.25	10.50
Peckham Mutual	9.00	9.25	10.50
Portsmouth	9.00	9.25	10.50
Property Owners	9.00	9.25	10.50
Provincial	9.00	9.25	10.50
Skipston	9.00	9.25	10.50
Sussex County	9.00	9.25	10.50
Sussex Mutual	9.00	9.25	10.50
Town and Country	9.00	9.25	10.50
Walthamstow	9.00	9.25	10.50
Webbs	9.00	9.25	10.50
Woolwich	9.00	9.25	10.50

North Atlantic (100)

Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
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Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20
Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20

MINES-South African (303)

Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100
Anglo American Corp. 189 (18/3)	100	100	100

UNIT TRUSTS (40)

M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
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M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100
M & G American Inv. 189 (18/3)	100	100	100

MINES-Miscellaneous (406)

AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
AMAX Inv. 189 (18/3)	100	100	100
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AMAX Inv. 189 (18/3)	100	100	100

LOCAL AUTHORITY BOND TABLE

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Knowsley (051-548 6555)	132	1-year 1,000 5-7

BUILDING SOCIETY RATES

Deposit	Share	Sub- rate	Term
Abbey National	9.00	9.25	10.50
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Bristol Economic	9.00	9.25	10.50
Britannia	9.00	9.25	10.50
Burnley	9.00	9.25	10.50
Cardiff	9.00	10.25	11.25
Catholic	9.00	9.50	10.50
Chelsea	9.00	9.25	10.50
Chesterham and Gloucester	9.00	9.25	10.50
Chesterham and Gloucester	9.00	9.25	10.50
Citizens Regency	9.00	9.55	10.75
City of London (The)	9.25	9.50	10.50
Coventry Economic	9.00	9.25	10.50
Coventry Provident	9.00	9.25	10.50
Derbyshire	9.00	9.25	10.50
Dorset and Acton	9.00	9.25	10.50
Gateway	9.00	9.25	10.50
Greenwich	9.00	9.25	10.50
Guardian	9.00	9.25	10.50
Halifax	9.00	9.25	10.50
Heart of England	9.00	9.25	10.50
Hearts of Oak and Enfield	9.00	9.25	10.50
Hendon	9.00	9.25	10.50
Huddersfield and Bradford	9.00	9.25	10.50
Lambeth	9.00	9.25	10.50
Laminating Spa	9.00	9.25	10.50
Leeds Permanent	9.00	9.25	10.50
Leicester	9.00	9.25	10.50
Liverpool	9.00	9.25	10.50
London Grosvenor	9.00	9.25	10.50
Melton Mowbray	9.00	9.25	10.50
Mornington	9.00	9.25	10.50
National Counties	9.00	9.25	10.50
Nationwide	9.00	9.25	10.50
New Cross	9.00	9.25	10.50
Northern Rock	9.00	9.25	10.50
Norwich	9.00	9.25	10.50
Paddington	9.00	9.25	10.50
Peckham Mutual	9.00	9.25	10.50
Portsmouth	9.00	9.25	10.50
Property Owners	9.00	9.25	10.50
Provincial	9.00	9.25	10.50
Skipston	9.00	9.25	10.50
Sussex County	9.00	9.25	10.50
Sussex Mutual	9.00	9.25	10.50
Town and Country	9.00	9.25	10.50
Walthamstow	9.00	9.25	10.50
Webbs	9.00	9.25	10.50
Woolwich	9.00	9.25	10.50

North Atlantic (100)

Standard Oil (Ind) 125 1/2	7 1/2	8 1/2	20

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FT UNIT TRUST INFORMATION SERVICE[illegible]

Continued on previous page

EXCHANGE LAND: Continued**MINES—Continued**

Tins

Copper

NOTES

Increased or resumed.

for conversion of shares not now ranking for
only for restricted dividend.

Yield allows for currency clause. y Dividend terms. z Dividend and yield include a special

INTERNATIONAL MARKET
A selection of London quotations of shares
and securities. Prices of British issues are


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16	Mirco. & Spicer	9	Town & City
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London Stock Exchange Report page

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MINES—Continued

Australian

Unit	Stock	Price	+ or -	% Chg	Div	Yld %
21	Ackerly 50c	38	—	—	—	3.5
22	AGM 20c	38	—	—	—	—
23	Arcly 50c	38	—	—	—	—
24	Argy 50c	38	—	—	—	—
25	Argy 50c	38	—	—	—	—
26	Argy 50c	38	—	—	—	—
27	Argy 50c	38	—	—	—	—
28	Argy 50c	38	—	—	—	—
29	Argy 50c	38	—	—	—	—
30	Argy 50c	38	—	—	—	—
31	Argy 50c	38	—	—	—	—
32	Argy 50c	38	—	—	—	—
33	Argy 50c	38	—	—	—	—
34	Argy 50c	38	—	—	—	—
35	Argy 50c	38	—	—	—	—
36	Argy 50c	38	—	—	—	—
37	Argy 50c	38	—	—	—	—
38	Argy 50c	38	—	—	—	—
39	Argy 50c	38	—	—	—	—
40	Argy 50c	38	—	—	—	—
41	Argy 50c	38	—	—	—	—
42	Argy 50c	38	—	—	—	—
43	Argy 50c	38	—	—	—	—
44	Argy 50c	38	—	—	—	—
45	Argy 50c	38	—	—	—	—
46	Argy 50c	38	—	—	—	—
47	Argy 50c	38	—	—	—	—
48	Argy 50c	38	—	—	—	—
49	Argy 50c	38	—	—	—	—
50	Argy 50c	38	—	—	—	—

Tins

Unit	Stock	Price	+ or -	% Chg	Div	Yld %
10	Amal Nigeria 10c	11	—	—	—	—
11	Amal Nigeria 10c	11	—	—	—	—
12	Amal Nigeria 10c	11	—	—	—	—
13	Amal Nigeria 10c	11	—	—	—	—
14	Amal Nigeria 10c	11	—	—	—	—
15	Amal Nigeria 10c	11	—	—	—	—
16	Amal Nigeria 10c	11	—	—	—	—
17	Amal Nigeria 10c	11	—	—	—	—
18	Amal Nigeria 10c	11	—	—	—	—
19	Amal Nigeria 10c	11	—	—	—	—
20	Amal Nigeria 10c	11	—	—	—	—
21	Amal Nigeria 10c	11	—	—	—	—
22	Amal Nigeria 10c	11	—	—	—	—
23	Amal Nigeria 10c	11	—	—	—	—
24	Amal Nigeria 10c	11	—	—	—	—
25	Amal Nigeria 10c	11	—	—	—	—
26	Amal Nigeria 10c	11	—	—	—	—
27	Amal Nigeria 10c	11	—	—	—	—
28	Amal Nigeria 10c	11	—	—	—	—
29	Amal Nigeria 10c	11	—	—	—	—
30	Amal Nigeria 10c	11	—	—	—	—

Copper

Unit	Stock	Price	+ or -	% Chg	Div	Yld %
30	Mission R.O.S. 50c	245	—	—	—	4.710.5

Miscellaneous

Unit	Stock	Price	+ or -	% Chg	Div	Yld %
31	Anglo-Danish 10c	12	—	—	—	—
32	Anglo-Danish 10c	12	—	—	—	—
33	Anglo-Danish 10c	12	—	—	—	—
34	Anglo-Danish 10c	12	—	—	—	—
35	Anglo-Danish 10c	12	—	—	—	—
36	Anglo-Danish 10c	12	—	—	—	—
37	Anglo-Danish 10c	12	—	—	—	—
38	Anglo-Danish 10c	12	—	—	—	—
39	Anglo-Danish 10c	12	—	—	—	—
40	Anglo-Danish 10c	12	—	—	—	—
41	Anglo-Danish 10c	12	—	—	—	—
42	Anglo-Danish 10c	12	—	—	—	—
43	Anglo-Danish 10c	12	—	—	—	—
44	Anglo-Danish 10c	12	—	—	—	—
45	Anglo-Danish 10c	12	—	—	—	—
46	Anglo-Danish 10c	12	—	—	—	—
47	Anglo-Danish 10c	12	—	—	—	—
48	Anglo-Danish 10c	12	—	—	—	—
49	Anglo-Danish 10c	12	—	—	—	—
50	Anglo-Danish 10c	12	—	—	—	—

NOTES

where indicated, prices and net dividends are in pence and shares are 25p. Estimated price/earnings ratios and covers are shown in parentheses on full capitals and rounded figures, are on half-price shares. P/E's are calculated on "net" shares, earnings per share being computed on profit after interest and taxes on full capitals and rounded figures 10 per cent or more difference if calculated on "all" shares are noted in parentheses. Dividends are shown in pence and yield is in percent. Dividends are shown in pence and yield is

